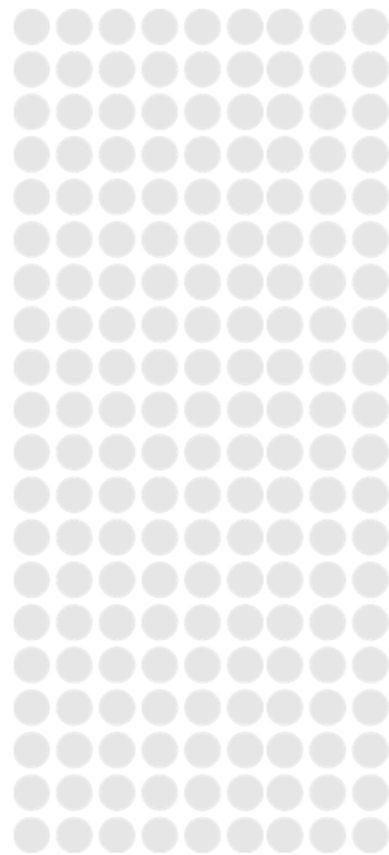




November 2020

Annual RIN - Amadeus Gas Pipeline

RIN response and basis of preparation 2020





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1 Introduction

On 1 April 2020, the Australian Energy Regulator (“AER”) issued APT Pipelines (NT) Pty Limited (“Amadeus”) (the Service provider for Amadeus Gas Pipeline) with a Regulatory Information Notice (“RIN”) under Division 4 of Part 1 of Chapter 2 of the National Gas Rules (Northern Territory) Law (NGL) as varied on 29 June 2020.

The RIN specifies information to be provided to the AER by Amadeus.

Data supplied in this RIN relates to the 2020 regulatory year (“Regulatory Year”, “2019-20 Year”) as defined in the RIN as the 12 month period ending 30 June 2020.

As specified in the RIN, Amadeus is required to provide the information annually from the 2020 regulatory year and these annual requirements are required up to and including the 2030 regulatory year.

This Basis of Preparation document applies to the RIN issued to Amadeus and the service provider is APT Pipelines (NT) Pty Limited.

1.1 Pipeline-specific information

1.1.1 *Amadeus Gas Pipeline*

APA acquired the Amadeus Gas Pipeline (“AGP”) and associated infrastructure in June 2011.

The bi-directional Amadeus Gas Pipeline is a transmission pipeline extending from the Amadeus Basin in the southern Northern Territory to Darwin. The pipeline system comprises the mainline and four gas inlet stations (Palm Valley, Mereenie, Ban Ban Springs and Weddell); a compressor station (Warrego); one odorant station (Tylers Pass); 11 mainline valves, 11 scraper stations and 14 offtakes. The AGP and laterals subject to regulation are approximately 1,626 kilometres long, including the Mereenie spurline, Tennant Creek and Katherine laterals, and the Pine Creek outlet.

The AGP transports natural gas to Darwin, Alice Springs and regional centres, principally to fuel power generation.

1.2 How Amadeus’s response to each variable meets the requirements of the RIN

Amadeus has reported all information consistent with the requirements of the RIN:

- The reporting templates have been prepared in accordance with the requirements of the RIN and definitions as set out in Appendix F of the RIN.
- The basis of preparation which sets out the following:
 - The sources of the provided information.



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- The reporting methodology and assumptions
- Where adopted, the basis of estimates and assumption utilised.
- Explanations where Amadeus has provided a “null” response to a RIN requirement.
- Relevant supporting information or documentation for meeting the RIN requirements.
- The audit and review reports in accordance with the requirements of the RIN and this Basis of Preparation by 30 November 2020.

1.3 Definitions of actual and estimated information

The definition of actuals is in line with Appendix F and consistent with the definition in the RIN. Amadeus has applied the following definition of actual information in its response to the RIN:

Information presented in response to the Notice whose presentation is materially dependent on information recorded in the pipeline service provider’s accounting records or other records used in the normal course of business, and whose presentation for the purposes of the notice is not contingent on judgements and assumptions for which there are valid alternatives, which could lead to a materially different presentation in response to the notice.

Non-financial information is sourced from records used in the normal course of business including APA’s Grid System (“Energy Components” APA’s hydrocarbon accounting system which holds the physical parameters for the asset (metres and delivery points) and the shipper parameters for billing), Maintenance Management and incident management database (“Maximo”), Integrity Management Systems (“IMS”) and Supervisory Control And Data Acquisition (“SCADA”) system. Amadeus has reported these amounts as estimates in the “Estimate Annual Performance Data workbook” (“Estimate Regulatory Template”) subject to a limited assurance in line with the RIN guidelines.

Information involving a calculation presented in response to this RIN is, in certain instances considered actual information, as this information is retrieved from Amadeus’s accounting and business records and does not include significant judgements and assumptions. Examples of such calculations are the regulatory finance expense, debt raising cost and shared corporate expenditure allocation.

Specific operating expenditure categories in the Annual Performance Data tables have been categorised as actual information based on allocation methodologies and categorisation judgements. The allocation methodologies are described in the relevant sections throughout the basis of preparation document.

Actual financial information may include accounting estimates and adjustments made to the accounting records in accordance with the regulatory accounting principles to populate the pipeline service provider's regulatory accounts and responses to the RIN.

Information is classified as estimated where it is not classified as actual.

The methodologies, assumptions and judgements made in respect of various parts of the Regulatory template are described in the relevant sections throughout this basis of preparation document.

1.4 **Best estimates**

Where Amadeus could not populate the information templates with actual information, Amadeus has provided its best estimate. For each instance where Amadeus has provided best estimate information, this basis of preparation document provides explanations in the relevant section as required by section 1.2 of Schedule 2 of the RIN.

1.5 **Attachments to this submission**

- an updated version of the regulatory accounting principles and policies for the relevant regulatory year;
- Annual RIN Audit opinion
- Annual RIN Review conclusion
- Annual RIN limited assurance opinion for Non-financial data
- Regulatory templates
 - Consolidated
 - Estimates - subject to review for the financial data and subject to limited assurance for the non-financial data for the regulatory year
 - Actuals- subject to audit for the regulatory year

In the materials submitted to the AER, no material changes occurred in the capitalisation policy for the relevant regulatory year. Amadeus is re-submitting the relevant policies for the regulatory year as described above.

1.6 **Rounding**

Totals in the templates provided may not add due to rounding.



2 General overview and information

2.1 Sources of information

Amadeus Enterprise Resource Planning (“ERP”) system, Oracle is the financial reporting system used which comprises a number of modules for managing the recording, processing and reporting of all business transactions from initiation through to payment. These modules include General Ledger, Projects, Fixed Assets, Payables, Receivables and Cash management. Oracle is the primary source of financial information. Costs are captured through cost centres and project reporting. The cost centre and project reporting provides details on the activity type of the costs, reflecting categories of capital, operating and maintenance activities and services.

Oracle is the underlying source of financial information used to produce the Amadeus statutory trial balance. Amadeus statutory trial balance is prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Financial information extracted from the Oracle financial reporting system underpins the reported amounts in the RIN unless specified in the separate sections. Mainly:

- **Revenue:** The Oracle financial reporting system’s revenue recognition complies with the revenue recognition principles in accordance with the requirements of Australian Accounting Standards.
- **Operating direct costs:** Operating cost categories are materially in line with the categories identified in the RIN.

APA has allocated shared corporate expenditure and shared assets to Amadeus based on a revenue allocation method and shared assets are allocated based on the percentage of allocated corporate expenditure. Refer to Section 5.1.2 for shared corporate expenditure allocation and 4.1.1.4 for shared assets for further details.

For other financial information, Amadeus has sourced financial information from the regulatory Access Arrangement determination (e.g. roll forward model and the post-tax revenue model) and tax returns.

For the purposes of non-financial information, Amadeus sourced information extracted from APA’s Grid System (“Energy Components”), Maintenance Management and incident management database (“Maximo”), Integrity Management Systems and Supervisory Control and Data Acquisition (“SCADA”) system.



2.2 Amadeus audit of statutory account balances

The RIN requires Amadeus to use audited statutory trial balances ("Audited Statutory Trial Balances") as the foundation for the RIN reporting and Amadeus has complied with this requirement for 2019-20.

2.3 General methodology and principles

Methodologies used for the preparation of the annual RIN numbers are identical to the methods used in the preparation of APA's statutory financial accounts, except for revenue categorisation, operating cost, shared corporate expenditure and shared support assets.

Financial information has mostly been derived from APT Pipelines (NT) Pty Ltd's Statutory Trial Balance which forms part of APA Group's Consolidated Statutory Financial Statements.

The requested information for the annual RIN reporting does not align with legal entity reporting. Amadeus owns both scheme and non-scheme assets. The reported financial information provided is supported by Amadeus's regulatory accounts, underlying customer contracts, direct costs and detailed reviews of invoices and asset registers as relevant.

With respect to the 2019-20 financial information certain actual amounts for Amadeus have been audited by APA's external auditor, Deloitte Touche Tohmatsu ("the Auditor"), in accordance with the Australian Auditing Standards. Where there have been estimates as defined by the RIN, the estimated financial information has been reviewed by Deloitte Touche Tohmatsu. With respect to the 2019-20 non-financial information Deloitte Touche Tohmatsu has issued a limited assurance report.

The Annual Performance Data workbook ("the Regulatory Template") has been subject to audit and or review as required in accordance with the RIN requirements. The regulatory reporting period ("regulatory reporting period") is the year 1 July 2019 to 30 June 2020 (2019-20) or FY20.

The service provider has no subsidiaries.

Definitions are in line with Appendix F to the RIN unless otherwise stated in the sections.

All amounts are presented in nominal terms unless stated otherwise.

2.4 Reference services on Amadeus

The AGP is largely contracted to a single user on the firm basis under a long term arrangement. The primary contracted service for this user is akin to the reference service, and for the purposes of the access arrangement, is treated as demand for the reference service.



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There are no customers using the reference service on Amadeus, revenue is reported consistently as non-reference services.

Capital and operating expenditure made in support of the provision of the firm service is similarly treated in the Access Arrangement as required to provide the reference service, including in circumstances where no shippers are using the reference service. All capital and operating expenditures are reported consistent with the methodologies and definitions under the access arrangement determination and reported as reference service information.

2.5 Maintaining information

APA's ERP system Oracle provides the capability to record and report all base financial information for both statutory and regulatory purposes. Reports developed from the base financial information are prepared in accordance with necessary accounting, legislative and regulatory standards and guidelines. Detailed costing reports (General Ledger, project based and activity based) are generated from the Oracle system and supporting analytical spreadsheet packages.

Amadeus will maintain records of cost attribution and allocations as follows:

- All base financial records will be extracted from APA's financial systems;
- APA's statutory financial statements and associated accounting records will form the basis of all reporting requirements;
- Analytical templates and work papers prepared for regulatory reporting;
- All records will be kept for at least seven years from date of initial regulatory years submission; and for the subsequent regulatory years, for at least 7 years from the date of the respective submission; and
- All records will be available to independent auditors and the AER.

These records will be maintained to:

- Demonstrate the attribution of costs to, or allocation of costs between APA's assets; and
- Allow attributions or allocations to be audited or otherwise verified by a third party, including the AER.



3 Workbook 2 - The Annual Regulatory template

3.1 Entry of variables

1. Variables in yellow cells

Yellow cells required input per the RIN. If a yellow cell is not applicable to Amadeus the cell has been left blank as a "null" response with an explanation in this document. In those instances where Amadeus intends a zero value, the input is "0" which in the regulatory template format is presented as dash ("-")

These cells have been subject to Audit, Review or Limited assurance in line with RIN requirements.

2. Variables in grey cells

Grey cells do not require input by Amadeus; or may contain formulas based on inputs from yellow cells. These cells have not been subject to any Audit or Review assurance as in line with the RIN.

3. Numerical inputs

All amounts are unrounded and reported on a one-for-one basis.

3.2 Financial information compliance

Compliance Requirement	Amadeus Compliance
Appendix E - 1 Part A: General 1.1 The <i>financial information</i> must:	Amadeus financial information is derived either from Amadeus statutory trial balance or from AER determinations.
(a) Be derived from the <i>audited statutory accounts</i> ;	As noted in section 2.2 Amadeus has derived information from its audited statutory trial balance for the period ending 30 June 2020.
(b) Be verifiable by reference to the <i>audited statutory accounts</i> ;	All information has been reconciled to the audited statutory trial balance for the regulatory year.
(c) Be prepared using the accrual basis of accounting;	Amadeus has consistently used the accrual basis of accounting in line with AASB requirements for the regulatory reporting period.
(d) Report the substance, over the form, of a transaction, taking into account all aspects, implications and expectations of and	In line with the requirements of the AASB accounting standards. This is done for all



<p>motivations for the transaction and that a group or series of transactions that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate;</p>	<p>underlying transactions for the financial information as reported in the RIN.</p>
<p>(e) Only include costs that are incurred in or relate to the provision of <i>pipeline services</i>;</p>	<p>All cost reported as part of the financial information is either directly incurred by Amadeus or allocated to Amadeus and incurred in the provision of <i>pipeline services</i>.</p>
<p>(f) Be presented on a fair and consistent basis, from the <i>accounting records</i> that underlie the costs, revenue, <i>assets</i> employed and liabilities which may be reasonably attributed to the <i>pipeline service provider</i>;</p>	<p>Amadeus has complied with this requirement throughout the RIN by ensuring a consistent application and fair basis of costs has been attributed to the service provider. Where relevant, further information has been provided in section 5.1.1 in the basis of preparation.</p>
<p>(g) Be prepared using the classification of services and <i>cost allocation method</i> for the relevant <i>regulatory year</i>;</p>	<p>Amadeus has consistently applied the same cost allocation method for the relevant regulatory years, consistent with the Amadeus's Cost Allocation Methodology ("CAM").</p> <p>The reporting for the historical performance workbook in July 2020 was the first time the CAM methodology was submitted to the AER. Amadeus has complied consistently with the CAM over this subsequent reporting period. No changes have been made, hence no quantification of effect of change for the regulatory year.</p>
<p>(h) In so far as is reasonably practicable, be prepared in accordance with the general rules and format, and use the accounting principles and policies applicable to the <i>audited statutory accounts</i> except as otherwise required by this <i>notice</i>.</p>	<p>As noted in section 2.2 Amadeus has derived information from its audited statutory trial balance for the period ending 30 June 2020. Amadeus has prepared the Regulatory template in accordance with the general rules and format of the RIN. Accounting principles and policies have been applied consistently throughout the RIN as outlined in this document.</p>



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<p>(i) Be presented in an understandable manner, without sacrificing relevance or reliability;</p>	<p>Amadeus has complied with this requirement by preparing this basis of Preparation in an understandable manner without sacrificing relevance or reliability.</p>
<p>(j) State fairly the financial position of the <i>pipeline service provider</i>, and</p>	<p>Prior to the RIN requirement, Amadeus was not required to have its Statutory Trial Balance audited statutory accounts.</p> <p>The reported financial information in the Regulatory template has been subject to an audit and review for the period 2019-20.</p> <p>Amadeus have had the statutory trial balance audited for the regulatory year 2019-20 however certain balances within the Statutory Trial Balance have been qualified given sufficient appropriate audit evidence relating to certain opening balances within the Statutory Trial Balance is no longer retained by Amadeus as this information is older than 7 years.</p>
<p>(k) Unless otherwise specified, not be adjusted for inflation.</p>	<p>Inflation has only been applied in those instances as allowed under the RIN (e.g. Roll Forward Model and the worksheet F10 in the Regulatory Template.</p>
<p>1.4 Where information provided in the <i>regulatory templates</i> has previously been reported to the <i>AER</i>:</p> <p>(a) This information must reconcile with the previously provided information; or</p>	<p>Amadeus has not identified instances where previously provided information does not reconcile.</p>
<p>(b) The <i>pipeline service provider</i> must explain why the information does not reconcile with the previously provided information in its <i>basis of preparation</i>.</p>	<p>Amadeus has not identified instances where previously provided information does not reconcile.</p>
<p>1.5 Actual capital expenditure and operating expenditure must be reconciled to the pipeline service provider's audited statutory accounts. Where the pipeline service provider is part of a corporate group that reports this information at the corporate group level, the pipeline service provider must reconcile to the information reported at</p>	<p>Refer to section 11.1.1 in Table F1.1 Audited statutory accounts.</p>



the corporate group level. Where reconciliation is at the corporate group level the pipeline service provider must:	
(a) Allocate statutory reported expenditures to the pipeline service provider and indicate the method of allocation;	Refer to section 5.1.1 Costs and section 5.1.2 Shared corporate expenditure.
(b) Show calculations for any allocation; and	Refer to section 4.1.1.1 for allocation of shared corporate assets, and section 5.1.2 for shared corporate expenditure.
(c) Indicate where any changes in allocation method or calculations have occurred in relation to the annual data and how these changes have been adjusted for in the use of the data.	If applicable this will be reported in the relevant section.

4 Worksheet E1. Expenditure summary

4.1 Table E1.1 – Capex

4.1.1 Table E1.1.1 – Reference Services

4.1.1.1 Definition

Relevant definitions for the reporting of Capex in Table E1.1 are:

Capital expenditure (“Capex”) is defined as any expenditure that has been included in the capital base of the pipeline service provider that:

- Relates to the purchase or construction of a new asset; or
- Increases the functionality of the asset; or
- Extends the service life of the asset;

Capital expenditure (“purposes”) is defined in accordance with AASB definition of an asset plus regulatory adjustments and is reported under the following categories:

- Replacement capital expenditure;
- Expansion capital expenditure;
- Non-system (non-network) capital expenditure;
- Capitalised network overheads;
- Capitalised corporate overheads; and
- Other capital expenditure.

Table E1.1.1 requires the capital expenditure to be reported in the categories detailed above. Amadeus has applied the definitions as reported in the RIN Appendix F.

Directly attributable expenses can be defined as:

- Capital expenditure that is directly related to a work activity, project or work order;
- In-house costs of direct labour, direct contract costs; and
- Other directly attributable costs (refer section 5.1.1.)
- Directly attributable costs excludes any overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads.

Based on discussions with the AER, Amadeus has applied the definition of “directly attributable costs” from the Appendix F to this RIN for the regulatory year. In particular,

this definition provides that “directly attributable costs excludes any overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads”.

Amadeus reported capitalised corporate overheads and capitalised network overheads as directly attributable expenses in the RIN. Capitalised corporate overhead amounts have been attributed to the three capital expenditure purposes in the tables based on the asset classification: Replacement, Expansion or Non-network as directly attributable expenses.

4.1.1.2 Compliance with requirements of notice

Compliance Requirement	Amadeus Compliance
Appendix E - 1 Part A: General 1.6 All costs that relate to or are incurred in the provision of pipeline services in the audited statutory accounts, must be allocated to the pipeline service provider in accordance with the following cost allocation principles:	Amadeus financial information is derived from Amadeus’ audited statutory trial balance for the period ending 30 June 2020 and/or AER determinations. All information has been reconciled to the statutory trial balance for the relevant regulatory year.
(a) Costs that are directly attributable to the pipeline service provider, must be allocated on that basis;	Refer to section 5.1.1 regarding costs.
(b) Capital expenditure items are to be allocated to a capital expenditure purpose on a directly attributable basis or a causation basis using an appropriate allocator. Where this is not possible the capital expenditure must be allocated using an appropriate allocator, in accordance with Schedule 1, paragraph 2.3;	Refer to section 5.1.1 regarding costs.
1.7 All costs allocated to the pipeline service provider in the response to paragraph 1.6 must in turn be allocated to services in accordance with the following cost allocation principles:	Refer to section 5.1.1 regarding costs.
(a) Costs that are directly attributable to either reference services or other services provided as a covered pipeline must be allocated on that basis;	All Capital expenditure is directly attributable to reference services and has been allocated 100% on that basis. Refer section 5.1.1 for more information.



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(b) Costs that are not directly attributable to either reference services or other services provided as a covered pipeline are	Complied with and referring to section 5.1.1 regarding costs and the Cost Allocation Methodology.
(i) To be allocated on a causation basis using an appropriate allocator; and	Complied with and referring to section 5.1.1 regarding costs and the Cost Allocation Methodology.
(ii) Where (i) is not possible, to be allocated using an appropriate allocator, in accordance with Schedule 1, paragraph 3.4.	Complied with and referring to section 5.1.1 regarding costs and the Cost Allocation Methodology.
1.8 Asset revaluations or adjustments for impairment (whether increasing or decreasing asset values) are not permitted unless agreed to or required by the AER.	None recognised for Amadeus in the regulatory reporting period.
1.9 Revaluations or adjustments for impairment (whether increasing or decreasing asset values) made in the audited statutory accounts must not be made in the regulatory templates.	None recognised for Amadeus in the regulatory period.
1.10 Capital expenditure must be allocated to a capital expenditure purpose or asset class and must not be shown under a work-in-progress heading.	Any capital work in progress at period end has in all instances been added to the capital expenditure for each respective asset category. No separate work in progress heading is being reported.
1.11 Goodwill and any related impairments must not be allocated to a capital expenditure purpose or asset class.	No goodwill or impairment have been recorded for Amadeus during the regulatory year subject to reporting.
1.12 Impairment losses must not be reported in an operating expenditure category. Impairment losses must only be reported in the "Impairment losses" row of Workbook 2 – Annual Performance Data, regulatory template F1. Income.	No impairment losses has been incurred or recognised on Amadeus. Hence a zero is reported in this cell in Worksheet F1.
2. Part B: Explanatory Instructions - Workbook 2	Amadeus has complied with this in Table E.1.1.1
2.1 Workbook 2 – Annual Performance Data, regulatory template E1. Expenditure Summary instructions: (a) In Table E1.1.1 for each regulatory year, the pipeline service provider must report the capital expenditure for each reference services capital expenditure purpose gross of capital contributions. The total capital	In all cases for statutory reporting the asset is capitalised when commissioned. For reporting purposes under this RIN Amadeus has included capital work in progress at period end (if applicable). This is reported in each respective asset category as the RIN prohibits any work in progress heading.



<p>contributions for reference services is also to be identified as the last row in Table E1.1.1.</p>	<p>For reporting purposes for this requirement, Amadeus has reported the capital expenditure on an "as-incurred" basis in this Table. The information has been sourced from the capital work in progress reports each year. The table presents the Capex Gross of capital contributions with the capital contributions being identified on the last row in line with ARIN.</p>
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4.1.1.3 Sources of information

The amounts for these tables were sourced from Amadeus's Oracle financial system for the regulatory period and represent actuals. The reported information for the Regulatory Year was reconciled to the AGP Access arrangement revision proposal July 2020 without any differences.

4.1.1.4 Methodology and assumptions

Amadeus capital expenditure is captured in the Oracle financial reporting system through cost centre and project reporting. Capital costs are recognised in accordance with *AASB 116 Property, Plant and Equipment*. Once it has been determined that it is appropriate to capitalise the costs, they have been attributed directly to the pipeline via the cost allocation drivers described in section 5.1.1 Costs.

Construction, acquisition, major maintenance and asset replacement costs are capitalised in accordance with *AASB 116 Property Plant and Equipment* in the Amadeus trial balance. For statutory reporting, for the purposes of constructing Property, plant and equipment, an asset is capitalised as capital work in progress when incurred. When the asset is commissioned it is transferred into the fixed asset register and statutory depreciation commences. For these reporting purposes Amadeus has added any capital work in progress to the relevant capital expenditure categories as the RIN prohibits any work in progress categories. In compliance with this RIN Amadeus has reported the capital expenditure on an "as-incurred" and "as-commissioned" basis. The information has been sourced from capital work in progress reports for the regulatory year.

The following costs associated with routine maintenance and repairs are expensed as incurred in accordance with the Capitalisation policy and AASB 116:

- Administration and general overhead costs;
- Labour and consumables; and
- Staff training costs.



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In addition to directly attributed capital expenditure and other attributable costs, each pipeline has been allocated a portion of the shared support assets using an allocator based on the proportion of allocated corporate expenditure.

In the period from 2016-2019 Amadeus applied a revenue allocation method to allocate its shared support assets. For the 2019-20 regulatory year, an adjustment was made for the current year to the regulatory accounting principles to align the approach of the shared support assets to the methodology applied consistently amongst APA assets, being using an allocator based on the proportion of allocated corporate expenditure. The change results in an immaterial impact on the allocated Amadeus shared assets.

APA does not allocate its total corporate shared support assets (for example, shared IT systems) among its pipelines (for example, AGP) in the Oracle financial system for statutory reporting purposes. Shared assets have been considered in the roll forward models (RFMs) for the last access arrangement and are included on an ongoing basis.

In order to determine the value of shared support assets attributable to each service provider for the 2019-20 year, Amadeus has adopted the ratio of attributed shared corporate costs to total APA corporate costs for the reporting period in line with the regulatory accounting principles:

$$\begin{array}{l} \text{Service} \\ \text{provider} \\ \text{shared} \\ \text{support} \\ \text{assets} \end{array} = \begin{array}{l} \text{Specific APA} \\ \text{shared support assets} \\ \text{which benefits Amadeus} \end{array} \times \frac{\text{Service provider corporate costs}}{\text{APA corporate costs}}$$

The proportion of shared support assets attributable to the service provider is included in the directly attributable capital expenditure amounts in the Table E.1.1.1 and is reported in the Non-Network category.

4.1.1.5 Use of estimated information

There are no estimates applied in the reported tables. All other amounts presented in these tables are actuals for the year as this information was either retrieved from regulatory determinations or from Amadeus financial systems and business records.

4.1.1.6 Material accounting policy changes or changes of allocation

Not applicable.

4.1.1.7 Reconciliation

Per the RIN Appendix E – Part A: General, paragraph 1.4 Amadeus must explain if the information does not reconcile with the previously provided information. Capital expenditure is required to be reported in categories that Amadeus does not use for the statutory financial reporting. Therefore, Amadeus has provided information where the

totals do reconcile to previously provided information although the categorisation might be new.

Forecasted amounts for capital expenditure for the year 2019-20 differs to the actual capital expenditure by less than 10%. Therefore no further reconciliation is necessary. Refer to section 4.5.2 in this Basis of Preparation.

4.1.2 *Table E.1.1.2 – Table intentionally omitted from AER template*

4.1.3 *Table E.1.1.3 – Other services provided as a covered pipeline*

All of Amadeus's capital expenditure has been made in relation to reference services. No other capital expenditure was spent for other non-reference services.

The compliance requirement is that the pipeline service provider must report the capital expenditure for other non-reference services provided (gross of capital contributions). Amadeus fulfils this compliance requirement as no capital expenditure is applicable for non-reference services.

4.1.4 *Table E.1.1.4 – Table intentionally omitted from AER template*

4.1.5 *Table E.1.1.5 – All capex*

Given Amadeus has no non-reference service capital expenditure, this table represents the total capital expenditure from reference service and numbers are identical to section **4.1.1 - E1.1.1 Reference Service** for reasons mentioned in section 2.4.

In Table E1.1.5 for each regulatory year, the pipeline service provider must report the total capital expenditure for each capital expenditure purpose: Replacement, Expansion or Non-Network (gross of capital contributions). The total capital contributions (of which there has been none) would have been reported in table E1.1.5 in compliance with the requirements.

The capital expenditure reported for each capital expenditure purpose in Tables E1.1.1 and E1.1.3 should reconcile to the total capital expenditure reported for each capital expenditure purpose in Table E1.1.5. The pipeline service provider must provide a reconciliation in the basis of preparation if this does not occur. The Table E1.1.1 reconciles in its totality with Table E1.1.5. No further reconciliation is necessary.

4.2 **Table E1.2 – Operating expenditure**

In this table Amadeus reported the total operating expenditure across the following categories; repair and maintenance, other operating expenses or debt and equity raising.

All operating expenditure has been attributed to the reference services, in line with the access arrangement determination.



4.2.1 *Table E1.2.1 – Reference Service*

4.2.1.1 **Definition Repairs and maintenance**

Repairs and maintenance expenditure is the expenditure incurred by the pipeline service provider that is directly attributable to repair and maintenance activities and is not capital in nature.

Amadeus deems this to be any cost directly associated with operating the pipeline such as O&M contracting cost inclusive of Amadeus staff servicing, salaries and wages plus on-costs, tools and protective gear for the staff, staff training cost, employee insurance, associated fees and taxes.

Other operating costs are all other expenses not deemed repairs and maintenance, such as rent and property outgoings and professional consulting, advertising, office administration, shared corporate expenditure allocations, and general O&M costs (if any) that do not meet the definition of repairs and maintenance. The reporting of other operating costs is in compliance with the RIN requirements.

4.2.1.2 **Definition Debt raising and Equity raising cost**

The definition is in accordance with Appendix F to the RIN.

The transaction costs incurred by the pipeline service provider in relation to raising debt and equity instruments to fund the asset base.

4.2.1.3 **Compliance with requirement of notice**

Compliance Requirement	Amadeus Compliance
<p>2. Part B: Explanatory Instructions – Workbook 2</p> <p>2.1(e) In table E1.2.1 for each regulatory year, the pipeline service provider must report the operating expenditure for each reference services operating expenditure category. The operating expenditure reported for each reference services operating expenditure category must be inclusive of any attributable (non-capitalised) corporate and network overhead operating expenditure.</p>	<p>Operating expenditure is reported in line with the access arrangement determination and is incurred to support the reference service. As a result the information will be populated in the reference services boxes throughout the RIN. Consequently, all non-reference services tables for operating expenditure have been left blank indicating they are not applicable.</p>
<p>2.1 (f) In table E1.2.3 for each regulatory year, the pipeline service provider must report the operating expenditure for each other services provided as a covered pipeline operating expenditure category. The</p>	<p>Operating expenditure is reported in line with the access arrangement determination and is incurred to support the reference service. Therefore in line with the requirements the information is</p>



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<p>operating expenditure reported for each other services provided by means of the covered pipeline operating expenditure category must be inclusive of any attributable (non-capitalised) corporate and network overhead operating expenditure.</p>	<p>populated in the reference services boxes throughout the RIN. As a result, all non-reference services tables for operating expenditure have been left blank indicating they are not applicable.</p>
<p>2.1 (g) In table E1.2.5 for each regulatory year, the pipeline service provider must report the operating expenditure for each operating expenditure category. The operating expenditure reported for each operating expenditure category must be inclusive of any attributable (non-capitalised) corporate and network overhead operating expenditure.</p>	<p>Amadeus has reported the categories and the total expenditure inclusive of any attributable (non-capitalised) corporate and network overhead operating expenditure.</p>
<p>2.1 (h) The total operating expenditure for each operating expenditure category reported in E1.2.5 should reconcile to the operating expenditure regulatory template F4. Opex in table F4.1.3. The pipeline service provider must provide a reconciliation in the basis of preparation if this does not occur.</p>	<p>The total operating expenditure for each operating expenditure category reported in E1.2.5 reconciles to tab F4 Opex Table F4.1.3 Opex for Transmission business. Total operating expenditure also reconciles to the regulatory accounts. No further reconciliation is necessary.</p>
<p>2.1 (i) The operating expenditure for each operating expenditure category in tables E1.2.1 and E1.2.3 should reconcile to the total operating expenditure reported for each operating expenditure category in table E1.2.5. The pipeline service provider must provide a reconciliation in the basis of preparation if this does not occur</p>	<p>Operating expenditure is reported in line with the access arrangement determination forecasted amounts and is incurred to support the reference service. Therefore in line with the requirements the information will be populated only in the reference services boxes throughout the RIN. As a result, all non-reference services tables for operating expenditure have been left blank indicating they are not applicable. Therefore Table E1.2.1 reconciles to the Table E1.2.5.</p>
<p>Appendix E: instructions 1 Part A: General Paragraph 1.6c Cost allocation principles (c) operating expenditure items are to be allocated to an operating expenditure category on a directly attributable basis or a causation basis using an appropriate allocator. Where this is not possible the</p>	<p>Refer to section 5.1.1 and the CAM.</p>



operating expenditure must be allocated using an appropriate allocator, in accordance with Schedule 1, paragraph 2.3.	
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4.2.1.4 Sources of information

Repairs and Maintenance & Other operating

The amounts for these tables were sourced from Amadeus's Oracle financial system for the regulatory period.

Debt raising costs

Source of the information is the average regulatory asset base value for the year calculated in line with the AER's the roll forward model.

For the regulatory year 2019-20, the debt raising costs have been determined using the average regulatory capital base which has been calculated consistent with RFM principles. The regulatory capital base has been calculated based on applying actual capital expenditure inputs to the AER's asset base roll forward model, adjusted for actual CPI (average Australian eight capital cities). The reported amounts are in accordance with the accompanying RIN templates.

The AER-allowed debt raising cost percentage rate has been referenced to the relevant AER Final Decision post tax revenue model ("PTRM") for the relevant access arrangement.

Equity raising costs

Amadeus has followed the principles set out in the AER's 2016-21 Final Decision PTRM equity raising cost analysis. The AER's approach determines the need to raise equity capital based on an analysis of cash flows and assumptions on internal funding capacity, and applies an approved cost rate (2016-21=3.0%) to the amount of equity capital determined to be required to be raised.

4.2.1.5 Methodology and assumptions

Repairs and maintenance and other operating

In certain circumstances where Amadeus was unable to determine the incurred costs as repairs and maintenance, the expenditure was categorised as other operating expenses.

Debt raising

APA Group raises debt at the corporate level and does not allocate the debt raising costs to its various subsidiaries.

Debt raising costs applicable to Amadeus have been determined using the approach applied by the AER in its final PTRM for the relevant Access arrangement period.

In the relevant access arrangement determination, the AER has approved debt raising costs by applying the approved factor (2016-21=0.093%) to the debt-funded proportion of the forecast opening capital base for the regulatory year.

Consistent with the methodology utilised in the AER determinations, Amadeus has applied this approach to the average value of the capital base for the year reflecting average actual capital expenditure over the relevant periods since the AER's last capital base determination.

Equity raising

APA Group raises equity at the corporate level and does not allocate the equity raising costs to its various subsidiaries.

Equity raising costs applicable to Amadeus have been determined using the approach applied by the AER in its final PTRM for the 2016-21 Access arrangement period.

The AER's approach determines the need to raise equity capital based on an analysis of cash flows and assumptions on internal funding capacity, and applies an approved cost rate (2016-21=3.0%) to the amount of equity capital determined to be required to be raised.

In the 2016-21 access arrangement period, the AER determined that Amadeus would not need to raise equity capital to fund its capital expenditure program, and accordingly calculated a zero allowance for equity raising costs.

It should be noted that the AER PTRM records equity raising costs as capital expenditure, whereas the RIN Table E1.2.1 requires equity raising costs to be reported as Operating expenditure.

4.2.1.6 Use of estimated information

Repairs and maintenance and other operating

No estimates, all amounts represent actuals.

Debt and equity raising

As Amadeus has applied the AER debt and equity raising cost methodologies and applied the approved debt raising cost allowance to the value of the capital base reflecting actual capital expenditure and inflation, Amadeus has considered debt and equity raising costs to be actuals.



4.2.1.7 **Material accounting policy changes or changes of allocation**

Repairs and maintenance and Other operating

None in the period.

Debt and equity raising

None.

4.2.1.8 **Reconciliation**

Repairs and Maintenance and Other operating

No reconciliation differences to previous submitted information to the AER are noted. As the difference between forecasted operating expenditure and actual operating expenditure is less than 10%, no further analysis is required.

Debt and equity raising

The opening capital base values used to determine the debt raising costs are drawn from the reported opening capital base numbers in AER's 2016 Final decision Roll Forward model. For the regulatory year 2019-20, the debt raising costs have been determined using the average regulatory capital base which has been calculated consistent with RFM principles. This represents a change in methodology for the regulatory year. No further reconciliation is required.

It should be noted that the AER PTRM records equity raising costs as capex, whereas the RIN Table E1.2.1 requires equity raising costs to be reported as Operating expenditure. While both are zero in this case, this will represent a reconciling item should future Amadeus capex levels provide for equity raising costs to be calculated in the AER's PTRM and estimated for AR RIN purposes.

4.2.2 *Table E1.2.2 – Table intentionally omitted from AER template*

4.2.3 *Table E1.2.3 – Other services provided as a covered pipeline*

Operating expenditure has been reported in the Access arrangement determination as relating to the reference tariff. As a result the information has been reported in the reference services tables throughout the RIN. No operating expenditure was reported for "other services".

4.2.4 *Table E1.2.4 – Table intentionally omitted from AER template*

4.2.5 *Table E1.2.5 – All opex*

All operating expenditure has been reported in the reference service table.

Therefore Table E1.2.1 reconciles without exception to the table E1.2.5.

4.3 **Table E1.3 – Capital contributions (“Capcons”)**

4.3.1 *Table E1.3.1 – Reference services*

In accordance with s3.2 of the AER-approved 2016-21 access arrangement, capital contributions are recorded as revenue in the year received.

4.3.1.1 **Definition capital contribution**

Cash or in kind contributions to capital expenditure projects including gifted assets. This definition is in line with the Appendix F definition to this RIN.

4.3.1.2 **Compliance with requirement of notice**

Compliance Requirement	Amadeus Compliance
Capital contributions	
Appendix E Instructions. Part A: General Capital Contributions paragraph 1.13 1.13 Capital contributions treated as revenues in audited statutory accounts and included in the value of assets must not be carried forward into the capital base, unless the AER has included the capital contributions in a final decision of the pipeline service provider’s capital base. 1.14 Capital contributions must be treated in accordance with the method approved in the pipeline service provider’s access arrangement.	Capital contributions are treated as revenue in the year received in accordance with the approved method from the relevant access arrangement. It should be noted that, under s3.2 of both the AER-approved 2016-21 access arrangement, capital contributions are to be recorded as revenue in the year received. This contrasts to the definition in the RIN. No capital contributions for the regulatory reporting period.
2. Part B: Explanatory Instructions – Workbook 2 2.1 (j) In table E1.3.1 for each regulatory year, the pipeline service provider must report the capital contribution for each reference services capital expenditure purpose. The total capital contribution expenditure must reconcile with the capital contributions for reference services identified as the last row in Table E1.1.1.	Amount reconciles to Table E1.1.1.
2.1 (k) In table E1.3.3 for each regulatory year, the pipeline service provider must report the capital contribution for each other services provided as a covered pipeline capital expenditure purpose. The total	Capital expenditures incurred are attributed to support the reference service as defined in the access arrangement determination. As a result the information has been populated in



<p>capital contribution expenditure must reconcile with the capital contributions for other services provided as a covered pipeline identified as the last row in Table E1.1.3.</p>	<p>the reference services tables throughout the RIN. “Other services” tables for Capital contributions were therefore left blank indicating they are not applicable.</p>
<p>2.1 (l) In table E1.3.5 for each regulatory year, the pipeline service provider must report the total capital contribution for each capital expenditure purpose. The total capital contribution expenditure must reconcile with the capital contributions identified as the last row in Table E1.1.5.</p>	<p>Total contribution expenditure in Table E1.3.5 ties in its entirety to the capital contribution line item in Table E1.1.5.</p>
<p>2.1 (m) The capital contributions reported for each capital expenditure purpose in tables E1.3.1 and E1.3.3 should reconcile to the total capital contributions reported for each capital expenditure purpose reported in table E1.3.5. The pipeline service provider must provide a reconciliation in the basis of preparation if this does not occur.</p>	<p>Capital expenditures incurred are to support the reference service as defined in the access arrangement determination. As a result the information has been populated in the reference services tables throughout the RIN. “Other services” tables for Capital contributions were therefore left blank resulting in Table E1.3.1 reconciling in its entirety to the Table E1.3.5.</p>

4.4 **Table E1.4 – Capitalised overheads**

4.4.1 *Table E1.4.1 – Reference services*

4.4.1.1 **Definition directly attributable expenses**

Directly attributable expenses can be defined as:

- capital expenditure that is directly related to a work activity, project or work order;
- in-house costs of direct labour, direct contract costs;
- other directly attributable costs; and
- Directly attributable costs excluding any overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads.

Based on discussions with the AER, Amadeus has applied the definition of “directly attributable costs” from the Appendix F to this Annual Reporting RIN for the regulatory year. In particular, this definition provides that “directly attributable costs excludes any

overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads.”

Amadeus reported capitalised corporate overheads and capitalised network overheads as per the definition of directly attributable expenses in Appendix F to the RIN. Capitalised corporate overhead amounts have been attributed onto the three capital expenditure purposes in the table E1.1.1 based on the asset classification - Replacement; Expansion or Non-network as directly attributable expenses since it relates to capitalised corporate overheads.

4.4.1.2 Compliance with requirement of notice

Compliance Requirement	Amadeus Compliance
Capitalised overheads	
<p>2. Part B: Explanatory Instructions – Workbook 2</p> <p>2.1 (n) In table E1.4.1 for each regulatory year, the pipeline service provider must report the capitalised overhead expenditure for each reference services capital expenditure purpose listed in E1.4.1. The total capital expenditure reported in table E1.4.1 must reconcile with the cumulative capital expenditure reported for capitalised network overheads and capitalised corporate overheads in table E1.1.1.</p>	<p>Amadeus reported capitalised corporate overheads and capitalised network overheads as per the definition of directly attributable expenses in Appendix F to the RIN. As a result table E1.4.1 and E1.4.5 are presenting dashes as zero corporate overheads are reported. The capitalised overhead was attributed to each of the three capex expenditure purposes (Replacement, Expansion and non-network) in the table E1.1.1 as directly attributable expenses in line with Amadeus interpretation of the definition of directly attributable expenses.</p> <p>Complying with the RIN and as a result these lines are zero.</p>
<p>2.1 (o) In table E1.4.3 for each regulatory year, the pipeline service provider must report the capitalised overhead expenditure for each other services provided as a covered pipeline capital expenditure purpose listed in E1.4.3. The total capital expenditure reported in table E1.4.3 must reconcile with the cumulative capital expenditure reported for capitalised network overheads and capitalised corporate overheads in tables E1.1.3.</p>	<p>Amadeus reported capitalised corporate overheads and capitalised network overheads for reference services. As a result this table E1.4.3 is NA and left empty.</p>
<p>2.1 (p) In table E1.4.5 for each regulatory year, the pipeline service provider must report the capitalised overhead expenditure</p>	<p>Amadeus reported capitalised corporate overheads and capitalised network overheads as per the definition of directly</p>



<p>for each capital expenditure purpose listed in E1.4.5. The total capital expenditure reported in table E1.4.5 must reconcile with the cumulative capital expenditure reported for capitalised network overheads and capitalised corporate overheads in table E1.1.5.</p>	<p>attributable expenses in the RIN. As a result table E1.4.1 Reference services is zero. Table E1.4.3 relates to Capital overheads on non-reference services which for AGP is not applicable and that table has therefore been left blank. Table E1.4.5 has zero as a sum of the above. The capitalised overhead was attributed to each of the three capex expenditure purposes (Replacement, Expansion and non-network) in the table E1.1.5 as directly attributable expenses in line with Amadeus interpretation of the definition of directly attributable expenses.</p>
<p>(q) The capitalised overhead expenditure reported for each capital expenditure purpose in tables E.1.4.1 and E1.4.3 should reconcile to the total capitalised overhead expenditure for each capital expenditure purpose listed in E1.4.5. The pipeline service provider must provide a reconciliation in the basis of preparation if this does not occur.</p>	<p>Since tables E.1.4.1 is zero, and E1.4.3 not applicable due to non-reference services by default E1.4.5 amounts to zero too.</p>

4.4.2 ***Table E1.4.2 – Table intentionally omitted from AER template***

4.4.3 ***Table E1.4.3 – Other services provided as a covered pipeline***

Amadeus reported capitalised corporate overheads and capitalised network overheads as per the definition of directly attributable expenses in the Appendix F in the RIN. Capitalised corporate overhead amounts have been attributed onto the three capital expenditure purposes in the table E1.1.1 based on the asset classification - Replacement; Expansion or Non-network as directly attributable expenses since it relates to capitalised corporate overheads.

No capitalised corporate overhead expenditure was reported for “other services”.

4.4.4 ***Table E1.4.4 – Table intentionally omitted from AER template***

4.4.5 ***Table E1.4.5 – All capitalised overhead***

Amadeus reported capitalised corporate overheads and capitalised network overheads as per the definition of directly attributable expenses in the RIN.

As the capitalised corporate overheads and capitalised network overheads have been reported in other expenditure categories (e.g. Replacement, Expansion and Non-network), Amadeus complied with the definition and have reported null in this table.



4.5 **Total actual capital and operating expenditure and total forecast expenditure**

The service provider must identify each difference (where the difference is equal to or greater than ± 10 per cent) between the amount reported in the regulatory templates and if relevant the amounts approved by the AER in the final decision PTRM for the relevant regulatory year:

- (a) total actual operating expenditure and total forecast operating expenditure;
- (b) total actual capital expenditure and total forecast capital expenditure; and
- (c) total volume of gas metered as having been transported throughout the gas transmission network and total volume of gas metered forecast to be transported throughout the gas transmission network.

Amadeus agreed with the AER that the "relevant" differences to explain were ones that had not already been subject to AER review in an access arrangement reset setting. The "relevant" differences to explain would be only those relating to the period since the last access arrangement review. Regulatory year 2019-20 was deemed "relevant" in the context of this requirement.

Amadeus identified the operation of RIN sections 1.5 and 1.6 – which Amadeus need only "identify" for those years where the relevant variance has been more than $\pm 10\%$, and it is only for these years that explanations are required. Amadeus confirmed with the AER that these explanations are required at the "total opex" and "total capex" levels rather than at the more granular reporting levels as suggested in the RIN. On variation in throughput, Amadeus is unable to comment; most of the gas transported on the Amadeus Gas Pipeline is used for electricity generation, and Amadeus does not have visibility of the causes of any increases or decreases in electricity demand.

4.5.1 **Annual variation in actual total operating expenditure and 2016 AER allowance**

In 2016, the AER accepted the operating expenditure forecast proposed by Amadeus. The operating expenditure forecast methodology adopted by Amadeus was the base-step-trend approach. Base-step-trend is the AER's preferred forecasting methodology for operating expenditure. The base-step-trend approach together with the AER's Efficiency Carryover Mechanism (ECM) provides an incentive for Amadeus to operate efficiently. The ECM is designed to reveal efficient operating costs.

Total annual actual operating expenditure and the 2016 AER allowance is shown in the table 1 below.

Operating expenditure for 2019-20, and the AER's May 2016 allowance forecast used in setting the current reference tariffs for the Amadeus Gas Pipeline, are shown in the following table. (The forecast has been restated at June 2020 prices.)



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Table 1 Annual variations in actual total operating expenditure and 2016 allowance (\$nominal)

	Unit	2019-20
AER Final Decision PTRM May 2016 opex allowance	000s \$nominal	12,430
Amadeus actual opex	000s \$nominal	12,127
Variance	000s \$nominal	(303)
Variance	%	(2.4)

As shown in the table, actual operating expenditure differed from the forecast by less than 10%. No further reconciliation is required.

4.5.2 *Annual variation in actual total capital expenditure and 2016 AER allowance*

The actual capital expenditure for 2019-20, compared to the May 2016 allowance is shown in the table 2 below.

Table 2 Variations in actual total capital expenditure and 2016 AER allowance by year (\$nominal)	Unit	2019-20
AER Final Decision PTRM May 2016 capex allowance	000s \$nominal	2,474
Amadeus actual capex	000s \$nominal	10,457
Variance	000s \$nominal	7,983
Variance	%	322

The May 2016 capex allowance (from the PTRM) was \$2.474 million (expressed in \$ 2019-20). The actual, \$10.457 million, differs from the May 2016 forecast by \$7.983 million (322%).

The principal reasons for the difference are as follows:

Item		\$ million
Warrego pressure control facilities	Not forecast in May 2016	2.505
Capitalised lease payments	Change to AASB 16	4.678
Corporate and non-system assets	Not forecasted in May 2016	0.685
Difference		7.868

These differences have been considered in the estimate made for the Roll Forward Model in the Access Arrangement revision proposal for 2022-2026 access arrangement.



5 Worksheet E11. Labour

5.1 E11. Labour

5.1.1 Costs

All costs (operating and capital expenditure) are captured in APA's financial reporting system Oracle through cost centre and project reporting. The cost centre and project reporting provides details on the activity type of the costs, reflecting categories of capital, operating & maintenance activities and services.

Amadeus has attributed costs directly to capital or operating projects, activities and services where possible and appropriate. Where costs are shared within APA, and unable to be directly attributed, activity-based costing and appropriate cost allocators are used to allocate costs across projects, activities and services to Amadeus.

The key cost allocation principles Amadeus has adopted are as follows:

- Costs are not allocated more than once;
- Costs cannot both be treated as a directly attributed cost and other directly attributable cost;
- Costs are allocated on a causal basis, in instances where direct attribution is not possible.

When assessing Amadeus operating and capital costs, the majority of Amadeus costs fall within two categories:

- **Directly attributable costs** to the pipeline service provider: Expenses that are clearly associated with a specific or regulated asset. Direct costs are coded to the asset or to a project relating to the asset, through creation of a purchase order at the time of purchase or direct employees charging their time to the asset or project, using an hourly rate derived from employee payroll costs.

Examples of such costs include the pipeline and materials expenses directly attributed to repair and maintenance of pipelines and the employees who are solely dedicated in providing field services to the pipeline.

For the regulatory year the service provider was not the employing entity. APT Management Services ("APTMS") is the employing entity. APTMS recharges salary and wages from APTMS to Amadeus on a monthly basis. A consistent approach to recoveries and recharges has been applied.

- **Other directly attributable costs** to the pipeline service provider: Other expenses are costs directly attributable to the service provider and are incurred by APA's



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Transmission business¹. In order to give a true reflection of the cost of running an asset, it is necessary to allocate a portion of APA's Transmission costs to the asset. APA's Transmission costs are reviewed periodically to determine the extent the business unit's function has a bearing on the assets.

Examples of such costs include the allocation of APA's Integrated Operations Centre ("IOC") which manages APA's non-scheme and regulated pipelines throughout Australia.

For other directly attributable costs, Amadeus has utilised the following cost allocation methodologies on a causation basis where APA costs are applicable:

- Time/effort based - national transmission pipeline services such as the IOC costs are assigned to each non-scheme pipeline, reflective of time spent.
- Customer based - national cost centres that provide transmission services such as daily nominations, invoicing and billing allocate their costs based on the number of customers or number of contracts.
- Headcount based - national services such as human resources training and development; and facilities recharges are allocated to the business based on the overall headcount in the business.
- State based - national services such as health, safety, environment and heritage are provided by state based employees. The state based costs are allocated to the pipelines within that state using the aforementioned cost allocators.

Other expenditure subject to allocation and recharges are shared corporate expenditure which is allocated based on Amadeus' share of revenue. Further information is provided in section 5.1.2.

Based on discussions with the AER and the RIN requirement, Amadeus has applied the RIN definition to the costs identified in this section as "directly attributable costs excluding any overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads."

Since Amadeus has reported all its expenditure as directly attributable expenditure as required under this RIN, Amadeus has no expenditure:

- not directly attributable but allocated on a causation basis;
- not directly attributable and cannot be allocated on a causation basis

¹ Transmission Division is responsible for the management of APA Group's transmission and gas storage assets, including all aspects of commercial and operational performance.



and therefore the reporting of each allocator and the amount allocated is not applicable.

In the 2016-2021 Amadeus access arrangement, all costs are attributed to the Reference Service, and Amadeus has attributed all costs to the Reference Service in accordance with the allocation methodology applied in the access arrangement.

5.1.2 *Shared corporate expenditure*

Since 2016 APA reports its total shared corporate expenditure at the consolidated level in its audited financial statements. APA does not allocate shared corporate expenditure to individual pipelines, business segments or subsidiaries such as Amadeus in its financial reporting systems.

APA has utilised the revenue based allocation method for its allocation of shared corporate expenditure as approved by the AER in the APA Victorian Transmission System ("VTS") access arrangement 2018-2022.

APA has for regulatory reporting purposes consistently allocated the shared corporate expenditure as reported in APA's financial accounts to each asset in APA's portfolio based on the process described below:

1. APA identifies shared corporate expenditure not deemed directly attributable to APA's portfolio of assets and excludes this expenditure from the total shared corporate expenditure.

APA has identified shared corporate expenditure that is directly attributed to certain assets as a result of the nature of the shared corporate expenditure and the type of asset. APA's shared corporate structure means certain costs incurred at the corporate level are only applicable to certain type of assets (for example, transmission costs to transmission assets, network costs to network assets, corporate service recharge costs to the management of APA's investments.)

APA owns but does not operate the Wallumbilla Gladstone Pipeline (WGP). Recognising this, APA has only allocated treasury and accounting-related expenditure, and other related expenditure for these services to the WGP.

2. Shared corporate expenditure not allocated in Step 1 ("residual shared corporate expenditure") is allocated to assets APA owns (excluding WGP) using revenue as the basis of allocation.

The revenue used for the purpose of allocating shared corporate expenditure is the revenue from contracts with customers of the energy infrastructure segment, excluding pass-through revenue, and a portion of the revenue from contracts with customers of the asset management segment, as reported in APA's financial statements.



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Amadeus has reported its shared corporate expenditure in the reporting tables as "Other operating expenses" or "Non-labour expenditure". Amadeus has been allocated a proportional share based on reported transmission revenue.

Prior to 2016, the shared corporate expenditure was directly allocated to the service provider's trial balance.

5.1.3 *Transactions with other APA entities*

APA has no related party transactions for the regulatory reporting period.

In accordance with the resolution of AER Annual RIN Issue 038 Amadeus has not reported costs allocated or attributed among the APA group as related party transactions in this RIN.

As discussed with the AER, allocation of costs to the pipeline within APA does not constitute related party transactions.

It is noted that the service provider is not the employing entity. Based on discussions with the AER, labour costs incurred by another APA entity are reported as "in-house labour expenditure" as Amadeus does not directly employ its own workforce. Salaries and wages incurred are attributed and allocated to Amadeus in accordance with methods described in section 5.1.1. As a result Amadeus has reported all Labour expenditure as "in-house labour expenditure" in Table E11.3.

Multi Asset Services are not reported as related party transactions based on correspondence between APA and the AER regarding notification of associate contracts. APA Group offers its customers the ability to enter into a single contract under which those customers can haul gas across multiple pipelines in APA's gas transmission network, rather than needing to enter into a contract for each pipeline used. These contracts are referred to as "multi-asset gas transportation agreements" or "multi-assets GTA's". APT Pipelines Limited which is the ultimate holding company of the owner and operator companies of APA's pipelines, contracts with the relevant customer entity and procures that the APA owner and operator of each relevant pipeline will provide the services and fulfil the obligations under the multi-asset GTA. Importantly, there is no contract between APT Pipelines Limited and the APA owner and operator companies, but merely an understanding or arrangement. This intra-group procurement arrangement has been in place for the regulatory year. This is a standing arrangement under which the pipeline owner/operator provides services to APT Pipelines Limited to enable it in turn to provide services to customers under multi-asset GTAs.

APA has determined that APT Pipelines Limited's obligation to procure services under multi-asset GTA's are not considered an associate contract as defined under the National Gas Law. Only associate contracts would be deemed related party transactions. Furthermore, any variations to these types of GTAs are not deemed to trigger notification to the AER under Rule 33 of the National Gas Rules.

Amadeus provides gas transportation services to the Darwin distribution system, which then provides a bundled service to a number of customers in Darwin. The contracts for this service have been provided to the AER as an Associate Contract under the NGL. Revenue from providing this service is included in Amadeus revenue, however the amounts are below the reporting threshold shown on table F6.2.1.

APA does not include any margins in the cost and revenue allocation processes.

Furthermore, shared costs, bundled service revenues and allocated multi asset service revenues were not invoiced or paid to a related entity during the regulatory reporting periods.

5.1.4 *Table E11.1 and Table E11.2 are intentionally omitted from AER template*

5.1.5 *Table E11.3 – Labour / Non-labour expenditure split*

Definitions of labour expenditure is in line with the definition in Appendix F to the RIN:

labour expenditure	Includes all expenditure used to deliver reference services and other services provided as a covered pipeline that is associated with people. Labour expenditure relates to: <ul style="list-style-type: none"> ○ full time, part time and casual employees; ○ ongoing and temporary employment contracts; and ○ labour hire contracts. <p>Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes (e.g. payroll and fringe benefits taxes), termination and redundancy payments, workers compensation, training and study assistance, purchases made on behalf of employees (e.g. protective clothing).</p>
labour expenditure outsourced	Labour used in the provision of contracts for goods and services other than the provision of labour (labour hire contracts).

Transactions involving cost allocations and multi-asset services among APA Group entities were not reported as related party transactions in line with section 5.1.3. Labour costs incurred by another APA entity will be reported as in-house labour expenditure. Labour costs include labour, and on costs contracting and temp staff, and training cost including a component of labour overhead expenditure. As Amadeus does not outsource labour to related parties, the reported in-house labour expenditure is equivalent to the reported total labour expenditure.

Non-labour expenditure is categorised as costs for contractors, materials, rent, travel, motor vehicle expenditures, plant and equipment hire and any other non-labour related operating expenditure that does not meet definition of labour cost.

Contractor costs reflecting part material and part labour have been classified in their entirety as non-labour expenditure due to lack of a visibility on the labour / non labour component.

5.1.6 **Table E11.3.1- Opex**

Table E11.3.1 Operating expenditure reports operating expenditure into labour and non-labour expenditure in line with definition above and in accordance with Amadeus Cost Allocation Methodology.

5.1.6.1 **Compliance with requirement of notice**

Compliance Requirement	Amadeus Compliance
Labour Operating expenditure	
2.2 Workbook 2 – Annual Performance Data, regulatory template E11. Labour instructions: 2.2 (a) In table E11.3.1 the pipeline service provider must report the total operating expenditure for each regulatory year split in the following labour categories: (i) in-house labour expenditure; (ii) labour expenditure outsourced to related parties; (iii) labour expenditure outsourced to unrelated parties; and (iv) non-labour expenditure.	Compliant with requirements based on the definitions above in section 5.1.5.
2.2 (b) The total operating expenditure reported in Table E11.3.1 must reconcile with the operating expenditure reported in Table E1.2.5 of regulatory template E1. Expenditure Summary.	These amounts reconcile to the last access arrangement determination and Table E1.2.5.

5.1.6.2 **Sources of information**

The reported figures in these tables were sourced from Amadeus's Oracle system or business records for the regulatory reporting period.

5.1.6.3 **Methodology and assumptions**

APA has no related party transactions for the regulatory reporting period as stated in section 5.1.3.



As discussed with the AER, allocation of costs to the pipeline within APA does not constitute related party transactions. All allocated costs have been reported within the cost categorisations.

The service provider was not the employing entity during the regulatory period. Amadeus incurred directly attributable labour costs from other APA entities during the reporting period.

5.1.6.4 Use of estimated information

All amounts are reported as actuals.

5.1.6.5 Material accounting policy changes or changes of allocation

The same policy has been used consistently throughout the period as presented in the regulatory template.

5.1.6.6 Reconciliation

Reconciliation to previous forecasted operating expenditure information indicates that the actual numbers deviates less than 10% to forecasted information and therefore no further reconciliation is necessary.

5.1.7 Table E11.3.2 – Capex

Capital expenditure (“Capex”) is defined in section 4.1.1.1 as any expenditure that has been included in the capital base of the pipeline service provider that relates to the purchase or construction of a new asset or increases the functionality of the asset or extends the service life of the asset. In this table the capex is reported on labour categories set out in the relevant table.

Labour expenditure includes all expenditure used to deliver services that is associated with people. For further detail please refer to section 5.1.5 where the definitions have been discussed in more detail.

In-house labour expenditure includes all labour expenditure incurred by the pipeline service provider except outsourced labour expenditure. It is noted that the service provider is not the employing entity. Based on discussions with the AER, labour costs incurred by another APA entity are reported as “in-house labour expenditure” as Amadeus does not directly employ its own workforce. Salaries and wages incurred are attributed and allocated to Amadeus in accordance with methods described in section 5.1.1 and 5.1.5. As a result Amadeus has reported all Labour expenditure as “in-house labour” in Table E11.3.

5.1.7.1 Compliance with requirement of notice

Compliance Requirement	Amadeus Compliance
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Labour Capex	
<p>2.2 (c) In Table E11.3.2 the pipeline service provider must report the total capital expenditure for each regulatory year using the following labour categories:</p> <ul style="list-style-type: none"> (i) in-house labour expenditure; (ii) labour expenditure outsourced to related parties; (iii) labour expenditure outsourced to unrelated parties; and (iv) non-labour expenditure. 	<p>Complied with in Table E11.3.2. The total capital expenditure has been reported into the relevant labour categories.</p>
<p>2.2 (d) The total capital expenditure reported in Table E11.3.2 must reconcile with the capital expenditure reported in Table E1.1.5 of regulatory template E1. Expenditure Summary.</p>	<p>Complied with as these amounts reconcile to table E1.1.5 and the last access arrangement determination.</p>

5.1.7.2 Sources of information

The amounts for these tables were sourced from Amadeus's Oracle financial system for the regulatory period and represents actuals. No actual capital expenditure has previously been submitted to the AER.

Amadeus has not previously been categorising the total capital expenditure in the reported labour categories.

5.1.7.3 Use of estimated information

All amounts are reported as actuals.

5.1.7.4 Methodology and assumptions

APA has no related party transactions for the regulatory reporting period as stated in section 5.1.3.

As discussed with the AER, allocation of costs to the pipeline within APA does not constitute related party transactions. All allocated costs have been reported within the cost categorisations.

The service provider was not the employing entity during the regulatory period. Amadeus incurred directly attributable labour costs from other APA entities during the reporting period. Material accounting policy changes or changes of allocation

The same policy has been used consistently throughout the period as presented in the regulatory template.



5.1.7.5 Reconciliation

No actual capital expenditure information for FY20 has previously been submitted to the AER. Reconciliation to previous forecasted capital expenditure information indicates that the actual numbers deviates less than 10% and therefore no further reconciliation is necessary.



6 Worksheet N1. Demand

6.1 Background and overview of data flow for non-financial information

Field devices at various locations on the Amadeus Gas Pipeline record meter data continuously. Flow data is calculated and accumulated in volume and energy. The energy value of the gas is determined based on the characteristics of the gas, which is continuously measured at the entry points and specific exit points. At the end of each gas day the field device performs a calculation from the accumulation registers to determine the Last Gas Day totals.

All data that is determined and recorded in these field devices is conveyed to Amadeus SCADA ("supervisory control and data acquisition") system. In the SCADA system every data point is monitored and alarmed for the appropriate "off-normal" limits to ensure that the quality of the data is known and the performance of the field devices is maintained.

All the custody transfer metering data is reviewed on a daily basis by pipeline controllers by a data validation process in the Data Historian System. Automated validation checks are performed, based on a number of tests, and any anomalies are called out for verification before the data is passed to APA Grid (Energy Components) which is APA's hydrocarbon accounting system.

The APA Grid System ("EC") contains all the configurations for:

- Physical Asset Model; all the parameters/definitions associated with the hard assets e.g. Pipelines/Delivery points/meters etc.;
- Contract Model; all the relevant shipper contract parameters to enable the scheduling/allocation and contract account calculation and invoicing;
- Modules to manage daily process automation to manage the day to day processes such as scheduling, allocation, customer reporting and market compliance reporting; and
- The allocation process reconciles pipeline receipts/deliveries and line pack, and energy meter data and allocates quantities to each shipper account based on allocation rules (for example, pro-rata based on scheduled quantity). This process ensures that the aggregation of each shipper contract allocation ties back to the pipeline quantities each day.
- Amadeus meter and customer allocation data was maintained in an excel gas billing and reconciliation system prior to 30 June 2014, and in Energy Components from 1 July 2014 onwards. Daily customer allocation by location data sets have

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been extracted from both systems in order to facilitate the requirements of this RIN.

This worksheet is subject to limited assurance by the Auditor and the information has been deemed an estimate as per RIN requirements.

6.2 Compliance with requirements of notice

Compliance Requirement	Amadeus Compliance
<p>2. Part B: Explanatory Instructions - Workbook 2</p> <p>2.3 Workbook 2 – Annual Performance Data, regulatory template N1. Demand instructions:</p> <p>(a) For each regulatory year, the pipeline service provider must report in table N1.1 the volume of gas metered as having been transported by the gas transmission pipeline for gas powered generation in the regulatory year.</p>	<p>To populate this table Amadeus reviewed each delivery site on the pipeline and categorised the site based on Amadeus knowledge of the intended use of the gas when it leaves AGP. Sites with electricity generating equipment connected to an electricity network have been classified Electricity Generation for this RIN.</p> <p>Table N.1.1 aggregates the annual totals from Table N1.3.2 – Annual volume – by location for; Channel Island, Elliott, Katherine, Pine Creek, and Tennant Creek.</p> <p>Amadeus has not contracted any reference services and Table N1.2 has been reported as non-applicable and is therefore left blank.</p> <p>Refer section 6.2.1.2</p>
<p>2.3 (b) For each regulatory year, in Table N1.3.1 the pipeline service provider must report the minimum, maximum and average peak volumes which have been withdrawn at each withdrawal point on the gas transmission pipeline.</p>	<p>Refer section 6.2.4</p>
<p>2.3 (c) For each regulatory year, in Table N1.3.2 the pipeline service provider must report the amount of gas metered which has withdrawn at each withdrawal point location within their gas transmission pipeline.</p>	<p>Refer section 6.2.4</p>



<p>2.3 (d) For each regulatory year, in Table N1.3.3 the pipeline service provider must provide the amount of gas which was forecast to be withdrawn at each withdrawal point location within their gas transmission pipeline.</p>	<p>Refer section 6.2.4</p>
<p>2.3 (e) The pipeline service provider must explain in the basis of preparation the reason for material difference between the amount of gas metered withdrawn at each withdrawal point, and the amount of gas forecast to be withdrawn at each withdrawal point, if the difference is equal to or greater than +/- 10 per cent.</p>	<p>Refer to section 6.3</p>
<p>2.3 (f) For each regulatory year, in Table N1.4.1 the pipeline service provider must report the minimum, maximum and average peak volumes which have been injected at each injection point on the gas transmission pipeline.</p>	<p>Refer to section 6.2.6</p>
<p>2.3 (g) For each regulatory year, in Table N1.4.2 the pipeline service provider must report the amount of gas metered which has injected at each injection point location within their gas transmission pipeline.</p>	<p>Refer to section 6.2.6.1</p>
<p>2.3 (h) For each regulatory year, in Table N1.4.3 the pipeline service provider must provide the amount of gas which was forecast to be injected at each injection point location within their gas transmission pipeline.</p>	<p>Amadeus does not forecast volumes at injection points. Refer to section 6.2.6.2</p>
<p>2.3 (i) The pipeline service provider must explain in the basis of preparation the reason for material difference between the amount of gas metered injected at each injection point, and the amount of gas forecast to be withdrawn at each injection point, if the difference is equal to or greater than +/- 10 per cent.</p>	<p>Refer to section 6.4</p>

6.2.1 *Table N1.1 – Demand By User Type – Electricity generation users*

6.2.1.1 **Definition**

electricity generation customers	A business or individual who uses gas transported by the gas transmission pipeline for the purposes of gas powered generation.
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6.2.1.2 **Source of information**

Refer to section 6.1 for sources of information.

The information has been extracted from Energy Component (“EC”) APA’s hydrocarbon accounting system for the Regulatory Year. Previous period data was extracted from previous billing system.

6.2.1.3 **Methodology and assumptions**

AGP shippers transport gas to a number of locations for a variety of purposes. To populate this table Amadeus reviewed each delivery site on the pipeline and categorised the site based on Amadeus’ knowledge of the intended gas use once it leaves the AGP. Sites with electricity generating equipment connected to an electricity network have been classified Electricity Generation for this RIN.

Sites categorised as Mixed Purpose may have electricity generation equipment but:

- not connected to a network; or
- electricity generation equipment connected to the network but not sending any generation into the grid; or
- generation used for other purposes.

These usage amounts have not been included in the tabled totals.

Table N.1.1 aggregates the annual totals from Table N1.3.2 – Annual volume – by location for; Channel Island, Elliott, Katherine, Pine Creek, and Tennant Creek.

6.2.1.4 **Use of estimated information**

The reported Gas Usage figures are estimates.

6.2.1.5 **Material accounting policy changes**

None in the period disclosed.

6.2.1.6 **Reconciliation**

Amadeus has reported withdrawal points in the last access arrangement. Amadeus has not previously reported injection point volumes.

Differences may arise based on the information Amadeus provided to the regulator in its revised proposal and the last access arrangement determination.

6.2.2 *Table N1.2 – Demand – by reference services*

The Reference Service on Amadeus is “Firm Reference Service”. There are no reference service contracts on the AGP for the period covered by the RIN.

6.2.3 *Table N1.3 - Withdrawals*

This table is the peak volume based on the withdrawal points on the pipeline.

6.2.4 *Table N1.3.1 – Peak Volume – by location*

Amadeus has sourced the information from EC the hydrocarbon accounting system, information was extracted into an excel format to facilitate determination of minimum, average and maximum at any given day of the year.

6.2.4.1 *Table N1.3.2 – Annual Volume – by location*

Amadeus has reported the annual volume for each location in Table N.1.3.2.

Amadeus has sourced the information for 2019-20 from EC APA’s hydrocarbon accounting system extracted into an excel format.

6.2.4.2 *Table N1.3.3 – Forecast annual volume – by location*

Forecast data on the withdrawal points are from Amadeus 2016 access arrangement RIN table N1.2. Demand on the AER’s website. This information was previously reported in TJ. The forecast has been re-expressed as GJ/year as the table requested.

6.2.5 *Table N1.4 – Injections*

Injections were not previously reported to the AER.

6.2.6 *Table N1.4.1 – Peak volume – by location*

Amadeus has sourced the information from EC APA’s hydrocarbon accounting system. Information was extracted into an excel format to facilitate extraction of the Minimum, Average and Maximum at any given day of the year with a determination of the peak volume by location.

- Minimum represents the minimum volume on any day for each Financial Year for each location and has been included in table A Minimum.
- Maximum represents the maximum volume on any day for each Financial Year for each location in Table B Maximum.

- Average equals the average from each day for each Financial Year for each location in Table C Average.

6.2.6.1 Table N1.4.2 – Annual volume – by location

Amadeus has sourced the information from EC APA's hydrocarbon accounting system which was extracted into an excel database. All daily quantities were aggregated to reflect the annual volume for each location in Table N.1.4.2.

6.2.6.2 Table N1.4.3 – Forecast Annual volume – by location

Amadeus does not forecast volumes of gas at injection points. This RIN requirement is therefore not applicable.

6.3 Response to: 2.Part B: Explanatory Instructions–Workbook 2

2.3 Workbook 2 – Annual Performance Data, regulatory template N1 part (e) requires

(e) The *pipeline service provider* must explain in the *basis of preparation* the reason for *material difference* between the amount of gas metered withdrawn at each *withdrawal point*, and the amount of gas forecast to be withdrawn at each *withdrawal point*, if the difference is equal to or greater than +/- 10 per cent.

In the completed Regulatory template, worksheet *N1. Demand* sets out demand (gas deliveries) data for the Amadeus Gas Pipeline. The table below summarises, using the data from worksheet N1, the percentage differences between the amounts metered as withdrawn and amounts forecast to be withdrawn. Material differences - percentage differences exceeding an absolute value of 10% - are shown in bold.

Explanations for these material differences, for the year 2019-20, are provided in this section.

The decision on the extent to which the capacity is used for the transportation of gas is made by the user, in accordance with their particular business needs. These needs may not be communicated to the service provider, and may not be known by the user, at the time the service provider prepares an access arrangement revision proposal.

For firm transportation service, the primary service provided by a transmission pipeline, the user contracts to use a quantity of capacity, and the service provider must provide that capacity. There is, however, no obligation on the user, to use this capacity provided.

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Table 1: Percentage differences: gas metered as withdrawn less gas forecast to be withdrawn as percentage of forecast

	Total (annual) Difference (%)
	Increase/ (decrease)
	2019-20
Darwin Channel Island	(21)
Darwin City Gate (distribution system)	(8)
Darwin City Gate (into Wickham Point Pipeline)	16
Darwin Townend Road	(79)
Pine Creek	(4)
Katherine	(7)
Mataranka	nan
Daly Waters	3
Elliott	16
Warrego (NGP)	nan
Tennant Creek	5
Tanami Road	nan
Palm Valley Interconnect (Alice Springs)	(60)
Total demand (pipeline usage)	87

nan = not a number; the result of attempted division by zero.

Table 2: Gas metered as withdrawn and gas forecast to be withdrawn: Channel Island, Darwin City Gate (into Wickham point Pipeline), Pine Creek and Katherine

	2019-20
	Total (annual) GJ
	Increase/ (decrease)
Gas metered as withdrawn	
Darwin Channel Island	9,749,289
Darwin City Gate (into Wickham Point Pipeline)	6,656,127
Pine Creek	1,793,211
Katherine	<u>401,748</u>
	18,600,375
Gas forecast to be withdrawn	
Darwin Channel Island	12,353,000
Darwin City Gate (into Wickham Point Pipeline)	5,727,000
Pine Creek	1,860,000
Katherine	<u>432,000</u>
	20,372,000
	2019-20
Difference (GJ)	(1,771,625)
Difference (%)	(8.7)

Channel Island, Darwin City Gate (into Wickham Point Pipeline), Pine Creek and Katherine

At four delivery points – Channel Island, Darwin City Gate (into Wickham Point Pipeline), Pine Creek and Katherine, gas is delivered to the Northern Territory Power and Water Corporation for subsequent use in the generation of electricity supplied into the Darwin-Katherine transmission system.

APA understands the four power stations are not operated independently. Their operations are coordinated to optimally meet the loads on the Darwin-Katherine transmission system.

Table 2 summarises gas metered as withdrawn, and gas forecast to be withdrawn, at Channel Island, Darwin City Gate (into Wickham point Pipeline), Pine Creek and Katherine. Total withdrawals across the four delivery points was 8.7% lower than forecast withdrawals for 2019-20. This is consistent with a forecast (made in 2015) which did not anticipate a decline in economic activity in the Northern Territory. In 2018-19, Gross State Product declined by 6.9% from its level in the previous year. State accounts information for 2019-20, which could show a further year-on-year reduction in economic activity, are not expected to be published by the Australian Bureau of Statistics until November 2020. However, a further decline in the level of activity is indicated by a fall (in real terms) of approximately 30% in private new capital expenditure in the Northern Territory between July 2019 and June 2020.



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Darwin City Gate (distribution system)

Gas transported in the Amadeus Gas Pipeline is delivered into the Darwin gas distribution system at Darwin City Gate. A small number of commercial and light industrial end-users of gas is supplied from the distribution system. There are no residential end-users in Darwin.

The quantity of gas delivered into the Darwin distribution system in 2019-20 was 8% lower than forecast. This was consistent with a forecast (made in 2015) which did not anticipate the recent decline in economic activity in the Northern Territory.

Townend Road

Townend Road was a new delivery point installed on the Amadeus Gas Pipeline in 2014.

Gas was delivered, via the Townend Road delivery point, to the Livingstone Beef processing facility. The processing facility owner, Australian Agricultural Company, suspended operations in May 2018. In consequence, the amount of gas metered as withdrawn at Townend Road was significantly less than the amount of gas which was forecast to be withdrawn at that delivery point during 2019-20.

Mataranka

Gas deliveries to a cement plant located at the end of the Mataranka Lateral ceased in 2010, when the plant operator switched to waste oil as a fuel.

When the AGP Access arrangement was revised in 2016, no forecast was made of gas deliveries into the Mataranka Lateral. No gas was delivered into the lateral in 2019-20.

Daly Waters

Gas transported to Daly Waters, is delivered into the McArthur River Pipeline (not an APA Group pipeline) for transport to the Glencore zinc, lead and silver mining operations at McArthur River, about 330 km to the east.

Australian zinc production has increased, and a part of the increase has come from the McArthur River Mine. After gas deliveries to McArthur River which were below forecast deliveries in 2017-18 and 2018-19, deliveries in 2019-20 were some 3% above forecast.

Elliott

Gas delivered to Elliot is used in local power generation. The quantity delivered during 2019-20 was significantly (16%) higher than forecast when proposed revisions to the Access Arrangement for the Amadeus Gas Pipeline Access were prepared in 2014-15.

The forecast, 100 GJ/d, was reasonable based on the history of usage available at that time. The increase, although large in percentage terms, should be seen in context.



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The average gas consumption of a South Australian household (there is little residential use in the Northern Territory) is around 13 GJ/d.

Warrego

Gas is currently being delivered from the Amadeus Gas Pipeline into the Northern Gas Pipeline, at Warrego, near Tennant Creek, about 1,000 km south of Darwin. Gas delivered into the Northern Gas Pipeline flows into Queensland and, via other pipelines, into the East Coast gas market.

No forecast of deliveries into the Northern Gas Pipeline was able to be made when the Access Arrangement for the Amadeus Gas Pipeline was revised in 2015-16.

In 2019-20, some 24.7 PJ was delivered to Warrego, amounting to 49% of total gas deliveries from the Amadeus Gas Pipeline in that year.

Tennant Creek

Gas is delivered into power generation at Tennant Creek for the supply of electricity to the local township, and to nearby mining operations.

Gas deliveries to Tennant Creek during 2019-20 were some 5% above forecast but amounted to only an additional 18 GJ/d.

Tanami Road

Gas is delivered from the Amadeus Gas Pipeline into the Tanami Gas Pipeline, at Tanami Road. This gas is used in mine-site power generation for gold mining operations in the Tanami Desert.

Gas flow at Tanami Road commenced in February 2019. Construction of the Tanami Gas Pipeline, and gas supply to the Tanami gold mining operations, were not anticipated when the Amadeus Gas Pipeline access arrangement was approved in 2016, and no forecast was made of gas deliveries at Tanami Road during 2019-20.

Palm Valley Interconnect (Alice Springs)

Gas deliveries to the Palm Valley Interconnect, for subsequent transportation to Alice Springs, have continued to decline in 2019-20.

Transportation from the Palm Valley Interconnect to Alice Springs is via the Palm Valley to Alice Springs Pipeline, which is not an APA Group asset.

The principal use of gas in Alice Springs is in power generation.

APA understands, from the gas producer, that gas from the Dingo field, south of Alice Springs, has been delivered into the Palm Valley to Alice Springs Pipeline, and into Alice Springs, and this gas has displaced gas delivered from the Amadeus Gas Pipeline. APA

does not have visibility of gas flows on the Palm Valley to Alice Springs Pipeline, and cannot establish the magnitude of the displacement.

6.4 **Response to: 2.Part B: Explanatory Instructions–Workbook 2**

2.3 Regulatory template, N1

(i) The pipeline service provider must explain in the basis of preparation the reason for material difference between the amounts of gas metered injected at each **injection** point, and the amount of gas forecast to be **injected** at each injection point, if the difference is equal to or greater than +/- 10 per cent.

Amadeus does not forecast volumes of gas at injection points. This RIN requirement is therefore not applicable.

7 Worksheet N2. Network Characteristics

7.1 Background / Overview

On the Amadeus Gas Pipeline, the capacity of the pipeline to deliver gas to a location is dependent on many factors, variables, and constraints. The combination of these can collectively be referred to as the “pipeline configuration” which can change over time and influence the capacity assumptions on the pipeline. These factors can vary enough to trigger a change in the declared capacity of the pipeline. Examples of such variables include;

- Location and number of receipt points
- Gas Quality (Heating Value) of the source gas
- Location and pressure requirements of delivery points

Since construction in 1986 the configuration of Amadeus can broadly be categorised into six configuration phases, each with different capacity statements, and the last one of these are applicable to the period covered by this RIN.

The configuration description illustrate the last capacity phase and the variables that triggered the change for the period covered by this RIN. The information provided describes the start and end date of the configuration and the flow direction of the gas in the pipeline and blend point of the different gases.

Config6- NGP and Tanami pipeline connections

In early 2019, Amadeus saw the addition of 2 significant Demand points on the pipeline at Warrego and Tanami. The addition of new delivery points further changed the direction of gas in the pipeline and moved the blend point of the gas, and the pressure constraints for the purpose of determining capacity.

7.2 Compliance with requirements

For each regulatory year, the pipeline service provider must report for each pipeline that comprises the gas transmission pipeline (including any laterals);

- (i) the length of the pipeline (table N2.1);
- (ii) the capacity (GJ/day) of the pipeline (table N2.2);
- (iii) the average utilisation of the pipeline (table N2.3); and
- (iv) the capacity of the pipeline that has been contracted on a firm basis to users (table N2.4).

The requirements are complied with and reported under each section.



This worksheet is subject to limited assurance by the auditors and the information has been deemed an estimate as per RIN requirements.

7.2.1 *Table N2.1 – network length – by pipeline*

The pipeline lengths have been expressed by the relevant configuration each year. Section lengths have been calculated based on the section distances between facilities using the kilometre points (KP's) reported in Appendix 1 to this document.

The length of the pipeline represents the regulatory asset including the required laterals.

7.2.2 *Table N2.2 – network capacity- by pipeline*

A capacity study completed in August 2015 based on a set of assumptions using pipeline modelling software derived a pipeline capacity of 119,700GJ / day which then became the declared capacity from that point in time. This capacity declaration reflected the pipeline configuration since 2011.

As set out in the overview above, the capacity was updated to 165,000GJ/Day in 2019 following the revised pipeline configuration (Warrego (to NGP) and Tanami Delivery Points).

Total capacity (165,000 GJ/d) is the same as previously submitted in Amadeus 2022-26 – Reset RIN – Workbook 1 – Forecast, tab N.2. The forecast also provided capacity by segment.

7.2.3 *Table N2.3 – average utilisation – by pipeline*

The average utilisation value in Table N2.3 has been calculated by taking the N1.3.1C Average daily consumption value expressed as a percentage of network capacity from Table N2.2 for the regulatory year.

7.2.4 *Table N2.4 - Firm contracted capacity – by pipeline*

The firm contracted capacities in Table N2.4 have been calculated by taking the aggregate firm contract quantities expressed as a percentage of network capacity from Table N2.2 for the regulatory year.

The firm contract quantities used as a numerator reflect the first priority firm foundation contract as a percentage of pipeline capacity for the regulatory year.

8 Worksheet S1. User numbers

Definition as per Appendix F to the RIN.

user numbers The number of users of each withdrawal point on the gas transmission pipeline.

8.1.1 *Table S1.1 – Electricity user numbers – by user type*

This table includes the number of contracted users of each withdrawal point on the gas pipeline.

Strictly speaking, Amadeus does not have visibility of the use of the gas downstream from the delivery point. The following response is based on our commercial knowledge of the pipeline, its customers and their contracting obligations. Amadeus has two Electricity Generation users. The first customer historically had provided gas transportation services to the new customer and continues to retain the contractual right to transport gas to the new customer. Amadeus has reported two electricity generation users in 2019-20.

8.1.2 *Compliance with requirements*

Compliance Requirement	Amadeus Compliance
<p>2.5 Part B: Explanatory Instructions - Workbook 2 Annual Performance Data, regulatory Template S.1 User numbers.</p> <p>2.5 (a) For each regulatory year, the pipeline service provider must report in table S1.1:</p> <p>(i) the total new users. This is the total number of users who commenced using gas transported by the gas transmission pipeline for the purpose of gas powered generation in the regulatory year; and</p> <p>(ii) the total user abandonments. This is the total number of users who no longer use gas transported by the gas transmission pipeline for the purpose of gas powered generation in the regulatory year.</p>	<p>Refer row 13 in the table S1.1.</p> <p>Amadeus defined new user connections as the new users added on during the year and does not reflect the accumulated total user connections for the year.</p> <p>No disconnections occurred during any of the years.</p>
<p>2.5 (b) The users on the last day of each regulatory year in table S1.1 is the total of:</p> <p>(i) the users on the first day of each regulatory year;</p> <p>(ii) plus (+) the total new users; and</p>	<p>Refer to table S1.1 for the total of users.</p>

(iii) less (-) the total user abandonments	
2.5 (c) In table S1.1, the number of users on the first day of each regulatory year should equal the number of users on the last day of the previous regulatory year as provided in (b) above. The pipeline service provider must provide a reconciliation in the basis of preparation if this does not occur.	Compliant with requirements as the numbers reconciles. No users have been added on since 2016-17.

8.1.3 *Table S1.2.1 & S1.2.2 – User numbers as at 1 July and 30 June*

There are no customers on the Amadeus firm reference service and as a consequence there are no user numbers reported in table S1.2.1 and table S1.2.2. The requirements in the RIN are not applicable and the regulatory template has been left blank.



9 Worksheet S10. Supply quality

9.1 Table S10 Supply quality

9.1.1 Table S10.1- Pressure Faults – Definition as per Appendix F to the RIN

poor pressure event An event where pipeline pressure was outside the normal range, and action was taken to restore pressure.

RIN definition of poor pressure events uses the term ‘normal range’ but does not specify what a normal range might be. Amadeus’ interpretation of ‘normal range’ – being the pressure specified in contracts with shippers – is suitable for these purposes.

Based on discussions with the AER, Amadeus has interpreted the definitions of “poor pressure event” and “normal range” to include pressure events where Amadeus failed to meet its contractual pressures to customers on the Amadeus Gas Pipeline. Pressure events variation occurs regularly, as a result of producer production issues and shipper nominations, receipts and deliveries. This, however, is considered “normal” in the operation of a pipeline.

In the s10.1 pressure events tables, the same poor pressure events are represented as user impact events and Force Majeure or Non Force Majeure events. They are however, the same events. Amadeus has no reportable pressure events in the regulatory period.

9.1.1.1 Poor Pressure events impacting users < 12hours – Non Force Majeure

There were no Non Force Majeure Poor pressure events in this reporting period.

9.1.1.2 Poor Pressure events <12hours – Force Majeure

There were no Force Majeure poor pressure events in this reporting period.

Compliance Requirement	Amadeus Compliance
2.6 Part B: Explanatory Instructions - Workbook 2 Annual Performance Data, regulatory Template S10 Supply Quality: 2.6 (a) For each regulatory year, in table S10.1 the pipeline service provider must report:	
(i) the poor pressure events which relate to force majeure events; and	No poor pressure events in this reporting period and no force majeure events.
(ii) the poor pressure events which do not relate to force majeure events.	Not applicable as no reported poor pressure events.



<p>2.6 (b) For each regulatory year, in table S10.1 the pipeline service provider must also report all poor pressure events which affect more than one user or take over 12 hours to resolve.</p>	<p>Not applicable in this period as no reported poor pressure events. Line item 13 in table S10.1 is therefore left blank.</p>
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10 Worksheet S14. Network integrity

10.1 Table S14.1 Network integrity

10.1.1 Table S14.1 row 11- number of leaks - publicly reported

There were no publicly reported leaks in this reporting period

10.1.2 Table S14.1 Loss of containment row 12 - Number of leaks found through survey and row 13 repaired leaks

There is one reported loss of containment event in 2019-20. On 13 August 2019 an insulating gasket was discovered to have failed on the connecting pipe between the Amadeus Gas Pipeline and the Bonaparte Gas Pipeline. The leak was found by a passing technician and an emergency was declared. The repair was conducted that evening. The duration of the outage at the Ban Ban Springs Station was 4 hours. The impact to customers was limited to a restricting on receipts for that 4 hour period, at that location. The delivery pressures were not impacted and receipts were increased once back online to restore the reduced line pack. The cause of the gasket failure is considered to be a material failure.

10.1.3 Table S14.1 Length of network subject to survey row 14

Amadeus Length of Network subject to survey definition:

"survey" is not a meaningful term for gas transmission pipelines. Amadeus have utilised on the following definition:

In this RIN response "Length of pipeline subject to survey" is defined as follows:

"**survey**" includes any type of inspection or condition monitoring activity, including:

- pigging (intelligent or otherwise);
- visual inspection;
- DCVG testing (including DCVG dig-ups);
- Cathodic protection surveys;
- coating inspections; and
- any other activities that inspect and monitor the condition of the pipeline.

"**subject to**" means that the activity was undertaken for the relevant year

The distance reported in kilometres reflect the number of km where particular inspection activities, pigging, Direct Current Voltage Gradient ("DCVG") testing and dig-ups, visual inspection, Cathodic protection survey, coating inspections etc.) have been

undertaken. For example, in instances where multiple inspections have been completed on a single kilometre of pipeline, Amadeus has reported that one kilometre of pipeline being subject to inspection.

To detect integrity issues that can lead to leaks, Amadeus uses:

- In-line inspection (“ILI”) tools, known in the industry as Intelligent Pigs, whereby an instrument is inserted into the pipeline and pushed along by the gas flow measuring the amount of metal left in the pipeline and most importantly areas where corrosion or other pipeline damage has occurred
- Coating Surveys using the Direct Current Voltage Gradient (“DCVG”) technique
- Easement Patrols where a technician drives on or adjacent to the pipeline easement looking for signs of leaks.

In areas where more than one type of survey is performed on the same segment, the distance covered by the survey are recorded once in the reporting tables. As an example where a DCVG and Vehicle survey are conducted on the one section of pipeline, the distance is reported once in the totals.

Completed surveys which are not related to condition monitoring have not been included in the reporting templates. For example aerial surveys from a plane or helicopter which are completed on a monthly basis for the entire length of the asset.

10.2 Table S14.2 Instances of damage

10.2.1 Definition

Definitions per Appendix F to the RIN:

instances of damage	An event in which damage occurs to the gas transmission pipeline.
damage	Any physical impairment that adversely affects the operation of the gas transmission pipeline including deformation, gouge, coating deterioration and corrosion.

The definitions includes “corrosion” in the definition of “damage” so Amadeus will report corrosion consistent with the previous approved project on replacement of heat shrink sleeves from the previous access arrangement.

10.2.2 Table S14.2 – Instances of damage row 21

When AGP was constructed in 1985-86, AGP was installed with three different coatings, a mixture of factory applied Yellow Jacket pipeline coating, some coal tar enamel and for the majority of the field welds - heat shrink applied coating. Amadeus has previously reported to the AER, the known issue in relation to the failure of the field weld coatings. The failures in some locations allow corrosion to occur on the pipe steel. This form of



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corrosion is “shielded” from the effects of the Cathodic Protection system and can be deep enough to require mechanical repair.

The detection of corrosion on the Amadeus Gas Pipeline is achieved with the use of Inline Inspection (“ILI”) tools technology. Amadeus excavates and replaces field joint coatings where corrosion is detected and prioritises these on the severity of the known measured corrosion from the ILI data.

In the table of damages, the reported number of “Instances of Damage” on the pipeline represents the locations where the pipeline has required a mechanical repair to keep it rated for Maximum Allowable Operating Pressure (MAOP). It does not include corrosion detected that does not require mechanical repair, as early repair to the coating in these locations prevents this damage adversely impacting the pipeline operation.

In this reporting period there were no damaging events that adversely impacted the operation of the Amadeus Gas Pipeline.

Compliance Requirement	Amadeus Compliance
2.7 Part B: Explanatory Instructions - Workbook 2 Annual Performance Data, regulatory Template S14 Network Integrity: (a) For each regulatory year, in table S14.1 the pipeline service provider must report the length of the gas transmission pipeline subject to leak survey in kilometres.	See section 10.1.3.
(b) For each regulatory year, in table S14.2 the pipeline service provider must report the instances of damage per kilometre of gas transmission pipeline. For other asset types the pipeline service provider must report the cumulative instances of damage.	Amadeus has reported the number of damage incidents in accordance with Regulatory template headings. Amadeus keeps tracks of number of incidents as opposed to damage per kilometre of gas transmission pipeline. AER agreed to this departure from the RIN requirement on 9 th June 2020.



11 Worksheet F1. Income

11.1 Table F1. Income

The Amadeus ERP system Oracle is the financial system and the primary source of financial information. This system is the underlying source of financial information disclosed in APA's audited consolidated financial statements. These Statutory financial statements are prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Financial information extracted from the Oracle financial system underpins the reported amounts in the Amadeus ARIN reporting unless otherwise specified. Mainly:

- **Revenue:** Amadeus revenue recognition complies with the revenue recognition principles prepared in accordance with the requirements of Australian Accounting Standards.
- **Operating direct costs:** Amadeus operating cost categories are materially in line with the categories identified in the RIN.

Amadeus has for these reporting purposes allocated shared corporate expenditure and shared assets to Amadeus based on a revenue and corporate expenditure allocation method. Refer to Section 5.1.2 for corporate cost allocation 4.1.1.4 for shared assets for further details.

A covered pipeline service provider is a legal entity registered under Corporations Act 2001 of the Commonwealth as in accordance with section 131, chapter 4 part 1 of the National Gas Law.

The trial balances represents the financial information for the legal entity, APT Pipelines (NT) Pty Ltd, the Amadeus Gas Pipeline service provider in accordance with the definition above. This trial balance is made up of four reporting business segments and includes parts of unregulated business and third party revenue which is not deemed the regulated asset or within the scope of this RIN. The Annual RIN reporting only relates to the financial information for the covered pipeline.

11.1.1 Table F1.1 Audited statutory accounts

In this table, the pipeline service provider must report the audited statutory trial balance revenue, expenditure and income tax expense (/benefit) for the service provider for the regulatory year using the appropriate categories set out in the table.



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The service provider has reported the audited statutory trial balance revenue, expenditure and income tax expense (/benefit) for the regulatory year using the appropriate categories set out in the table.

The amounts reported by the service provider in this table are deemed as actuals as audited statutory trial balances were sourced from the Oracle financial system.

11.1.1.1 F1.1.1. – Revenue

This table includes total revenue, capital contributions, profit from sale of fixed assets and other revenue as derived from the trial balance for the service provider, not only for the regulated business.

Transmission revenue as defined in Appendix F to this RIN:

transmission revenue	Revenue earned by the pipeline service provider from the provision of reference services and other services provided as a covered pipeline. This excludes capital contributions.
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- Capital contributions are deemed revenues in the year in which they are received in accordance with section 3.2 of the Access Arrangement for Amadeus Gas Pipeline. No capital contributions were received in the regulatory year.
- Profit from sale of fixed assets represents the accounting standards defined profit from sale of assets.
- Other revenue consists of amortization of deferred revenue from non-transmission contracts and third party works.

11.1.1.2 Compliance with requirements

Compliance Requirement	Amadeus Compliance
2. Part B: Explanatory Instructions - Workbook 2 2.8 Workbook 2 – Annual Performance Data, regulatory template F1. Income instructions: (a) In table F1.1 the pipeline service provider must report the audited statutory accounts revenues, expenditure and income tax expense (/benefit) for the regulatory year using the appropriate category set out in table F1.1.	The RIN requires Amadeus to report financial transactions starting from audited statutory trial balances less adjustment to derive regulatory accounts for the transmission pipeline service provider. Prior to the current year RIN requirement. Amadeus was not required to audit its statutory financial accounts. Refer table F1.1.1 – Revenue, F1.1.2 – Expenditure and F1.1.3 Profit for the reported amounts.



(b) In table F1.2 the pipeline service provider must report the adjustments made to the audited statutory accounts to report the gas transmission pipeline's revenues, expenditure and income tax expense(/benefit) for the regulatory year using the appropriate category set out in table F1.2.	The adjustments are required to reflect the regulatory accounts which represents the roll forward asset base and other regulatory adjustments such as depreciation and net finance expenses.
(c) For each adjustment made in table F1.2 the pipeline service provider must in the basis of preparation:	Adjustments from table F1.2 are further explained in section 11.1.2 to 11.1.5.
i) specify the amount of the adjustment; and	Refer to the adjustment part of the regulatory reporting template on tab F1 table F1.2
ii) describe the nature and basis of each adjustment.	Refer to the description above.

11.1.1.3 Table F.1.1.2 Expenditure

Operating expenditure are reported as incurred in the trial balance of the underlying service provider in accordance with Amadeus applied regulatory accounting policies and principles on a consistent basis.

Depreciation expense is an actual amount from the fixed asset register in line with the accounting standards and Amadeus accounting useful lives for each asset class.

Net finance expenses in the trial balance before adjustments represents an amount of intra entity interest expense allocated on a causation basis. APA Group raises debt via debt and capital market; accordingly, the Amadeus trial balance records no amounts for interest costs on external debt. Furthermore no debt raising costs are being allocated into the Amadeus statutory trial balance.

Loss from sale of fixed assets represents the accounting standard's defined loss from sale of fixed assets.

No impairment losses have been recorded for Amadeus during the regulatory period.

11.1.1.4 Table F.1.1.3 Profit

The income tax expense is equal to 30% of the accounting profit.

11.1.1.5 Reconciliation

The AER's 2016 Final Decision access arrangement overview has a footnote on Figure 1: "Note: APTNT did not receive any revenue from reference services in the 2011-16 access arrangement period. Its actual revenue in that period is entirely related to contractual



arrangements for a non-reference service. The revenue earned under these contracts is confidential."

Revenue reported in this RIN similarly relates to contractual arrangements for a non-reference service. Disclosure of these revenue amounts would disclose information related to the commercial operations of an APA customer. It is confidential.

11.1.2 *Table F1.2 – Adjustments*

The adjustments are the amounts necessary to derive at the regulatory accounts for the regulated business and are reported in the table F1.2.1. The adjustments represents the exclusion of the other activities that are not related to the covered pipeline and regulatory adjustments.

In this table, the pipeline service provider must report the adjustments made to the audited statutory trial balances to report the gas transmission pipeline's revenue, expenditure and income tax expense (/benefit) for the regulatory year using the appropriate categories set out in the table.

The amounts reported by the service provider in this table are deemed as actuals as the audited statutory trial balance was sourced from the Oracle financial system and Business records. The service provider has reported the adjustments and the amounts of the adjustments are detailed in F.1.2.1– Revenue, F1.2.2 – Expenditure and F1.2.3 – Profit.

11.1.3 *Table F1.2.1 – Revenue*

Adjustments in table F 1.2.1 are:

- Transmission revenue adjustments is revenue that does not meet the transmission revenue definition as per Appendix F to the RIN;
- Capital contributions are treated as Revenue in the year in which they are received ((p.11) in the 2016-21 access arrangement). There are no capital contributions in the regulatory period; and
- Profit from sale of fixed assets represents a reversal of the profit under financial accounting to reflect the cash proceed for the regulatory approved capex.

11.1.4 *Table F1.2.2 – Expenditure*

- Operating expenditure adjustments reported in table F 1.2.2 relates to:
 - the allocation of shared corporate expenditure in the period 2019-20 as these costs are no longer recorded directly in the statutory ledger (see section 5.1.2);



- pigging amount being reclassified as an operating expenditure whereas Amadeus for statutory accounting purposes capitalise the intelligent pigging cost;
- operating expenditure adjustment to exclude the operating expenditure relating to the non-regulated asset; and
- other regulatory adjustments such as excavation and access arrangement costs which are treated as capital expenditure for the statutory reporting purposes and operating expenditure for the access arrangement.
- Depreciation adjustments represents the adjustment necessary to reflect the total regulatory depreciation expense which is the forecast depreciation drawn from the AER's approved Post Tax Revenue Models relating to relevant access arrangement and includes the indexation on the opening capital base and the WACC adjustment on additions, as discussed in section 18.1.2.
- The net finance expenses adjustment represents the amounts necessary to derive the regulatory finance expenses for the service provider in line with the regulatory accounts. The finance expense amount reported in the regulatory accounts represents interest expense on the notional debt funded portion of the regulatory capital base and debt raising costs.

Interest expense applicable to Amadeus has been determined by applying the AER's approved Nominal Pre-tax Return on Debt to the debt-funded proportion of the forecast average capital base for each regulatory year. The Nominal Pre-tax Return on Debt rates used to calculate interest expense has been sourced from the AER's PTRM which is updated annually.

Debt raising costs applicable to Amadeus have been determined using the approach applied by the AER in its final PTRM for the relevant access arrangement period as explained in the section 4.2.1. In the access arrangement determination for 2016-2021, the AER has approved debt raising costs by applying an approved factor to the debt-funded proportion of the forecast opening capital base for each regulatory year.

The total regulatory net finance expenses after adjustments in table F1.4.2 reconciles to the regulatory accounts. The debt raising cost in table E1.2.1 is only the debt raising costs of the amount in table F1.4.2. These amounts are deemed actuals as the calculations are based on the approved approach applied by the AER in its final determination for the relevant access arrangement period.

11.1.5 *Table F1.2.3 – Profit*

The adjusted profit number is based on an assumed 30% corporate tax rate on profit before tax after adjustments.



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11.1.6 *Table F1.3 - Table intentionally omitted from AER template*

11.1.7 *Table F.1.4 - Transmission business*

These amounts represents the regulatory accounting values and reconcile to the regulatory accounts that Amadeus prepare in compliance with section 141 of NGL.

Amadeus deem these amounts to be actuals.

11.1.7.1 **Reconciliation**

Reconciliation to previous forecasted operating expenditure information indicates that the actual numbers deviates less than 10% to the forecast and therefore no further reconciliation is necessary.



12 Worksheet F2. Capital expenditure

12.1 Table F2. Capital expenditure by asset class

All tables in this section starts from Table F2.4. Any previous tables (F2.1-F2.3) has been excluded by the AER from the RIN template.

The pipeline service provider must list in column B in tables F2.4 to F2.7 each asset class listed in the applicable access arrangement's AER final decision PTRM or any updates to the AER final decision PTRM for the relevant regulatory year.

Amadeus seven categories of capital expenditure as defined in the last access arrangement determination have been used for these RIN reporting requirements.

The capital expenditure definitions are in line with the definitions as in Appendix F and as previously disclosed in section 5.1.7.1.

12.1.1 *Table F2.4.1 Table intentionally omitted from AER template*

12.1.2 *Table F2.4.2 – Actual – as-incurred*

In table F2.4.2 for each regulator year, the pipeline service provider must report the net "as-incurred" capital expenditure by asset class. The pipeline service provider must not include the capital expenditure funded by capital contributions (i.e. the capital contributions should not be included in each asset class' capital expenditure) when reporting the net as-incurred capital expenditure by asset class.

The numbers as presented for the years 2019-20 are net as-incurred capital expenditure sourced from capital expenditure reports in Oracle for the regulatory year.

Asset classes are presented in line with the last access arrangement determination.

Amadeus has made regulatory adjustments for pigging as pigging is capitalised in its statutory reporting. For regulatory reporting purposes, Amadeus has expensed in line with previous access arrangement determinations.

Tab F2.4.2 ties in with the E.1.1.1 – reference services as both tables require the "as incurred" numbers and since there has been no capital contributions in the regulatory period the tables represent the same value even though one table requires gross and the other one requires net amounts.

12.1.3 *Table F2.4.3 – Movement in provision allocated to As-incurred capex*

Amadeus reported no provisions for the regulatory reporting periods which impact capex. Therefore the requirement is not applicable.

No capital contributions have been included.

12.1.4 *Table F2.4.4 – Actual – as-commissioned*

The pipeline service provider has reported the net as-commissioned capital expenditure by asset class in table F2.4.4 for each regulator year. No capital contributions have been included.

The information for the regulatory year has been sourced from the net “as-commissioned” capital expenditure reports in Oracle for the regulatory year.

12.1.5 *Table F2.4.5 – Movement in provision allocated to As-commissioned capex*

Amadeus reported no provisions for the regulatory reporting periods which impacts capex. Therefore the requirement is not applicable.

12.1.6 *Table F2.5 Capital contribution by asset class*

12.1.7 *Table F2.5.1. Actual – as-incurred*

Amadeus has reported the as-incurred capital expenditure funded by capital contributions by asset class.

No capital contributions have been received in the reported regulatory period.

12.1.8 *Table F2.5.2. Actual - as commissioned*

Amadeus must report the as-commissioned capital expenditure funded by capital contributions by asset class.

No capital contributions have been received in the reported regulatory period.

12.1.9 *Table F2.6 – Disposal by asset class*

12.1.10 *Table F2.6.1 – Table intentionally omitted from AER template*

12.1.11 *Table F2.6.2 - Actual - as de-commissioned*

This table represents the decommissioned assets based on gross proceeds from sale of assets in line with the requirements in the RIN. The pipeline service provider must report disposals when there has been a sale of an asset. The pipeline service provider have reported the total proceeds received in each year. The proceeds for the year reconcile to the table F10.1.



12.1.12 *Table F2.7 – Immediate expensing of capex*

12.1.13 *Table F2.7.1 – Actual as-commissioned*

The table is reported on an “as-incurred” basis notwithstanding the table heading in table F2.7.1 indicates reporting on “as-commissioned”. It is noted that the immediately deductible costs for tax purposes are reported on an “as-incurred” basis for income tax return purposes in line with the RIN requirement.

Compliance Requirement	Amadeus Compliance
Immediately expensing of capex	
<p>Schedule 1 7. IMMEDIATE EXPENSING OF CAPEX FOR TAX PURPOSES</p> <p>7.1 The pipeline service provider must report the immediate expensing capital expenditure by asset class for the relevant regulatory year. This capital expenditure should be consistent with the value of immediate expensing capital expenditure included in the income tax returns lodged by the pipeline service provider, whether Federal or National Tax Equivalent Regime, for the relevant regulatory year. These reported values may be updated through a Resubmission of Information process (see paragraph 11) to reflect updates to these values arising from the Australian Taxation Office’s decision-making process.</p>	<p>Amadeus is part of APA’s tax consolidated Group and the standalone Amadeus entity does not lodge its own tax return. Amadeus is not the Head entity of the tax consolidated Group.</p> <p>Amadeus has claimed immediately deductible expenses as part of the APA consolidated tax return in accordance with the “as-incurred” records for the regulatory year.</p> <p>The capital expenditure immediately expensed for tax purposes is claimed in the year the capital expenditure is incurred.</p> <p>No resubmission of any tax information has occurred.</p>
<p>Schedule 1 7. Immediate expensing of capital expenditure</p> <p>7.2 Please list and explain in the basis of preparation, the types of capex (such as refurbishment capex and capitalised overheads) associated with the immediate expensing capital expenditure as reported in regulatory template F2. Capex table F2.7.</p>	<p>The types of capital expenditure treated as immediate expense capital expenditure and claimed as a deduction in the tax return of the Head entity of the APA tax consolidated group are expenditure related to stress corrosion cracking, pigging, sleeving, coating and systematic pipeline integrity projects and costs incurred as a supporting, indirect activity related to construction of an asset.</p>
<p>2.9 Workbook 2 – Annual Performance Data, regulatory template F2. Capex instructions:</p>	<p>It is important to note that the pipeline service provider has not forecasted</p>



<p>2.9 (i) In table F2.7 for each regulatory year the pipeline service provider must report the immediate expensing capital expenditure for each asset class. Where there is no forecast or actual immediate expensing capital expenditure for a specific asset class for the relevant regulatory year, the pipeline service provider is to input the value "zero".</p>	<p>immediate expense capital expenditure for the regulatory period so no comparison can be made to the actual immediate expensing capital expenditure for those years reported in table F2.7.</p> <p>Immediate expensing of (forecast) capital expenditure for the purposes of regulatory tax calculation is to commence on 1 July 2021.</p> <p>Claims on immediately deductible items do not include claims on any capital contributions.</p> <p>To date Amadeus has not changed the tax policy. Amadeus will review the policy annually and advise the AER of any material changes.</p>
<p>2.9 Workbook 2 – Annual Performance Data, regulatory template F2. Capex instructions: 2.9 (k) The pipeline service provider must provide in its basis of preparation, the type of capital expenditure (i.e. refurbishment and capitalised overheads) provided to the Australian Tax Office associated with the immediate expensing capital expenditure.</p>	<p>Specifically, for income tax purposes expenditure incurred by Amadeus that:</p> <ul style="list-style-type: none"> • is solely used for the purpose of producing assessable income; • has the character of being a 'repair'; and • is not capital in nature. <p>should be immediately deductible under section 25-10 of Income Tax Assessment Act 1997.</p> <p>Repair is restoration by renewal or replacement of subsidiary parts of a whole. Renewal or reconstruction, as distinguished from repair, is restoration of the entirety. The most important factor to be considered is whether the work "... restores the efficiency of function of the property without changing its character..."</p> <p>Minor improvements, additions or alterations to property may still constitute repairs. However, substantial improvements, "initial repairs", modernisations, reconstructions, additions</p>



	<p>or alterations are not deductible under section 25-10.</p> <p>Pigging, sleeving, coating and systematic pipeline integrity projects as well as pipeline stress corrosion cracking ("SCC") related programs undertaken by Amadeus are considered 'repairs' for tax purposes.</p> <p>Costs incurred as a supporting, indirect activity related to construction of an asset will be immediately deductible.</p>
<p>2.9 Workbook 2 – Annual Performance Data, regulatory template F2. Capex instructions: 2.9 (j) The pipeline service provider must explain the main factors driving the difference between the forecast and actual immediate expensing capital expenditure for tax purposes reported in table F2.7.1, if the difference is equal or greater than +/- 10 per cent.</p>	<p>Amadeus does not forecast any of its immediate expensing of capex. This information has not previously been submitted since there was no regulatory requirement for Amadeus to forecast capex to be immediately expensed for the purposes of regulatory tax calculation in the 2016-2021 access arrangement period.</p> <p>Therefore Amadeus deems this requirement to be not applicable.</p> <p>Based on the AER 2018 tax review, future capital expenditure will follow the AER guidelines and reflect diminishing value depreciation for tax purposes for specific asset classes and immediate expensing where appropriate.</p>

12.1.13.1 Sources of information

All information has been sourced from Oracle system and applicable tax return records.

12.1.13.2 Methodology and assumptions

Same methodology used in the regulatory reporting period.

12.1.13.3 Use of estimated information

All tables represent actual amounts.

12.1.13.4 Material accounting policy changes or changes of allocation

No changes in the accounting policy during the regulatory period.



12.1.13.5 Reconciliation

Immediately deductible amounts have not previously been reported to the AER as there was no regulatory requirement for Amadeus to forecast capex to be immediately expensed for the purposes of regulatory tax calculation in the 2016-2021 access arrangement period. Capital expenditure for the upcoming access arrangement period 2021-2026 will be reported in compliance with the AER requirements. This means that the diminishing value depreciation for tax purposes for asset classes will be followed as well as immediate expensing where appropriate.



13 Worksheet F3. Revenue

In accordance with Australian Accounting Standards, revenue is recognised at an amount that reflects the consideration to which the Service provider expects to be entitled in exchange for the provision of services to a customer (the performance obligations) under a contract. The service provider recognises revenue when control of a product or service is transferred to the customer. Amounts disclosed as revenue are net of profit sharing agreements and Goods and Services Taxes paid. Given the nature of the service provider's services, there is no significant right of return or warranty provided. Transmission revenue is derived from transportation services.

Revenue from contracts with customers may either be identified as separate performance obligations or a series of distinct performance obligations that are substantially the same, have the same pattern of transfer and are therefore treated as a single performance obligation that is satisfied over time. This includes both firm and interruptible services. The amount billed corresponds directly to the value of the performance to date.

Revenue is directly attributed to the pipeline that earns the revenue based on the underlying contract. The Revenue within APA is recorded in the servicing entity.

Any revenue that is generated under agreements that do not separate the revenue by pipeline has been allocated to each pipeline using an appropriate methodology or allocator. This revenue is classified as direct transmission revenue and not a transaction with a related party. Multi asset revenue represents a non-reference services. No margin is earned on allocated Revenue.

Amadeus provides gas transportation services to the Darwin distribution system, which then provides a bundled service to a number of customers in Darwin. The contracts for this service have been provided to the AER as an Associate Contract under the NGL. Revenue from providing this service is included in Amadeus revenue, however the amounts are below the reporting threshold shown on table F6.2.1.

Amadeus has complied with the relevant revenue recognition standards during the regulatory reporting period.

Definition of transmission revenue is in line with the definition in Appendix F.

13.1.1 *Table F3.1 – Reference Services*

All Amadeus transmission services revenue have been allocated to non-reference services revenue as no customers contracted reference services during the period. Hence this table has been reported blank.

13.1.2 *Table F3.2 - Table intentionally omitted by AER from their template*

13.1.3 *Table F3.3 – Rebateable Services*

Amadeus must report the revenue generated for each rebateable services category performed by the pipeline service provider during the regulatory year. The rebateable services categories performed by the pipeline service provider are to be mutually exclusive and collectively exhaustive.

A service must be classified as a rebateable service in a relevant access arrangement approved by the AER. As the 2016-21 access arrangement has not classified any services as rebateable services, Amadeus has no rebateable services for the reporting period. This table has been left blank as indicated these services are not applicable.

13.1.4 *Table F3.4 – Table intentionally omitted by AER from their template*

13.1.5 *Table F3.5 – Total Revenue*

Total revenue is a grey cell sum which automatically summarises revenue from tables F3.1, F3.3 & F3.7 with formulas. No assurance is given on grey cells. Amadeus must reconcile the transmission revenue for each respective regulatory year reported in table F1.4.1 with regulatory template F1. Income. The pipeline service provider must provide a reconciliation in the basis of preparation if this does not occur. Row 63 in table F1.4.1 ties to row 69 in table F3.5. No further reconciliation is necessary.

13.1.6 *Table F3.6 – Rewards and penalties from incentive schemes*

Amadeus must report the revenue earned or foregone from penalties or rewards of each incentive schemes. The incentive schemes are to be mutually exclusive and collectively exhaustive.

Incentive schemes are those schemes defined in the service provider's access arrangement. Generally, incentive schemes monitor actual performance against forecast, with the impact of the incentive scheme reflected in the following access arrangement.

An Efficiency Benefit Sharing Scheme ("EBSS") was included in the 2016-21 access arrangement, however as it affects the cost in the next access arrangement period amounts may be reported under this category over the course of the 2021-26 access arrangement period.

This table is left blank as there is no EBSS reportable for the regulatory year.

13.1.7 *Table F3.7 – Other Services provided as a covered pipeline*

All Amadeus transmission services revenue have been allocated to non-reference services revenue as no customers contracted reference services during the period.



13.1.7.1 Revenue allocation to service types – AGP

Revenue has been mapped to Amadeus transport services for the reporting period through identification of the transport service types that have been offered on the pipeline during the reporting period. Amadeus transport service types have been aligned with the service types that are reported in financial reporting for other regulatory reporting.

Where a General Ledger (“GL”) account type is directly aligned with an Amadeus service type, the historical allocation of revenue to that GL account type has been relied upon.

There are some instances where the GL account type does not directly correlate with an Amadeus transport service type in the regulatory year. In these instances, a review of the detailed GL entries was undertaken to understand the nature of the revenue of in the GL account, and a decision was taken as to what Amadeus transport service type the revenue best aligns with. For example, ‘Pipeline – Standing Charge’ was allocated to Firm transport service revenue as review of the GL entries, coupled with contract/commercial knowledge, revealed that this revenue relates to the provision of firm transport services.

All transport service revenue other than one contract for firm service revenue was allocated to the Interruptible/As Available/Authorised Overrun revenue reporting line item. All other transport services have a distinctly lower priority than this particular contract’s service, and as such are considered to be non-firm.

All AGP transmission services revenue has been allocated to non-reference services revenue as no customers had reference services contracted during the period.

Other revenue:

Revenue associated with behavioural charges, such as Unauthorised Overrun and Imbalance, along with Amortised Revenue, have been allocated to an ‘Other’ revenue line item, in accordance with treatment for other regulatory reporting.

The contra revenue associated with the profit share arrangement with one customer has been included in Firm transport service revenue.

Inter-entity revenue associated with a multi-asset contract has been allocated to Interruptible/As Available/Authorised Overrun transport services based on advice from the Commercial team that this contract is for the provision of interruptible transport services.

13.1.7.2 Revenue from Multi Asset Services and allocation methodology

Where APA provides a service across a number of pipelines under a single contract (“Multi Asset Services”) it is necessary to allocate the revenue from that service across



the various pipelines providing that service. APA's approach for the purposes of this RIN is consistent with its approach under Part 23 of the National Gas Rules.

In developing its Multi Asset Service allocation methodology, APA identified factors relevant to the setting of its prices on individual pipelines (such as light regulation²) and applied them to the revenue allocations. This is because the allocations contribute to the calculation of a weighted average price (reported for non-scheme pipelines) that is intended to assist potential customers to understand what other customers are paying on a pipeline-by-pipeline basis, and thereby inform their view of APA's pricing offer.

It is therefore appropriate that factors that influence prices on individual pipelines or pipeline segments are also reflected in the revenue allocation used to derive the weighted average price for each pipeline or pipeline segment that provide the Multi Asset Service. For example, the amount of Multi Asset Service revenue allocated to a particular pipeline segment must recognise that the amount allocated to any light regulated pipeline on the Multi Asset Service route must reflect the "no price discrimination" requirement of s136 of the National Gas Law.

Consequently, the allocator that is applied for each revenue item will vary, depending on the specific nature of the Multi Asset Service and the pipelines involved.

APA considers that this is the most appropriate method of allocation, as it reflects the reality of the regulatory and contractual restrictions on prices (and therefore revenue) that may be earned on individual pipeline segments. This method ensures that, where regulatory and/or contractual limitations apply to stand-alone pipeline or pipeline segments, the revenue allocated to those pipeline segments is consistent with those limitations.

There was one Multi Asset Service contract that included an AGP Interruptible/As Available/Authorised Overrun transport service during the reporting period.

Multi Asset Services are not reported as related party transactions.

The portion of revenue attributed to the service provider is reported as revenue in Table F3.7 and F1.1 of the reporting template.

13.1.8 *Sources of information*

All amounts are deemed actuals.

² Section 136 of the National Gas Law specifies that a covered pipeline service provider must not engage in price discrimination when providing light regulation services, unless to do so is conducive to efficient service provision.

13.1.9 *Methodology and assumptions*

Consistent application of methodology during the regulatory year.

13.1.10 *Use of estimated information*

None

13.1.11 *Material accounting policy changes or changes of allocation*

Adoption of AASB 15 is the only change in the period however did not have a material impact on Amadeus financial information.

13.1.12 *Reconciliation*

Revenue reconciliation is discussed in the sections above, no further reconciliation necessary.



14 Worksheet F4. Operating Expenditure

14.1.1.1 Definition and source of information

All definitions are in line with the definitions in Appendix F to the RIN.

The amounts reported by the service provider in this worksheet were sourced from the service provider's regulatory accounts where the data used to prepare these accounts was sourced from the Oracle accounting system and business records.

14.1.2 *Table F4.1- Operating expenditure by purpose*

This table represents the total operating expenditure for the service provider split on the categories Repairs and Maintenance, Other operating, Debt raising and Equity raising. For reference to the various categorisations, refer section 4.2 Table E1.2 Operating Expenditure in the Basis of preparation. For debt and equity raising costs please see section 4.2.1 Table E.1.2.1 - Reference services in this Basis of preparation.

14.1.3 *Table F4.1.1 - Audited statutory accounts*

In table F4.1.1 the pipeline service provider must report the audited statutory accounts operating expenditure for the regulatory year.

Audit assurance was provided on the pipeline service provider operating expenditure disclosed in the table F4 for the regulatory year.

The trial balance represents the financial information for the legal entity Amadeus which is the total service provider. This trial balance is made up of four reporting business segments and includes parts of unregulated business and third-party revenue which is not related to the regulated asset or within the RIN.

This table represents the total operating expenditure for the service provider split on the categories Repairs and Maintenance and Other operating. These amounts are deemed actual and were retrieved from Oracle. Debt raising and equity raising costs were calculated applying the AER's approved approach and are therefore presented as actuals.

14.1.4 *Table F4.1.2 - Adjustments*

The RIN requires Amadeus to report financial transactions starting from statutory trial balances less adjustment to report the covered pipeline's operating expenditure.

For each adjustment made to the operating expenditure in the statutory trial balance and reported in F4.1.2 the pipeline service provider must in the basis of preparation:

- i) specify the amount of the adjustment; and
- ii) describe the nature and basis of each adjustment.



Operating expenditure adjustments in table F 4.1.2 are:

1. expenditure incurred from activities independent from the provision of services provided by the covered pipeline, i.e. recoverable works activities and operating expenditure relating to the non-regulated assets;
2. expenditures treated differently for statutory purposes and those under the access arrangement, i.e. access arrangement costs, pigging costs and excavation projects recorded as capital at the statutory trial balance but required to be recorded as an operating expense for the purpose of the service provider's access arrangement; and
3. expenditure not recorded at the statutory level but is required to be recorded as an operating expense for the purpose of the service provider's access arrangement
 - a. shared corporate expenditure for the year represents the allocation of shared corporate costs which is no longer recorded directly in the statutory trial balances (see section 5.1.2);
 - b. debt raising costs for regulatory purposes. Debt raising cost is based on the approved approach applied by the AER in its final determination for the relevant access arrangement period (refer to section 4.2.1.4).

These adjustment amounts are reported as actuals and are based on the amounts incurred and calculations from business records.

14.1.5 **Table F4.1.3 – Transmission business**

The RIN requires Amadeus to report financial transactions starting from audited statutory trial balance less adjustment to derive the transmission business operating expenditure for the service provider.

This table represents the total Operating expenditure for the covered pipeline split on the categories Repairs and Maintenance, Other operating, Debt raising and Equity raising expenditure, including adjustments. It reconciles to the regulatory accounts.

The reported amounts in Table F4.1.3 are deemed actuals and were based on calculations from business records or retrieved from Oracle.

Table F4.1.3 Transmission business operating expenditure ties to table E1.2.1 Reference services and E1.2.5 - All Opex. The debt raising cost after adjustments in table F4.1.3 reconciles to table E1.2.1 and E1.2.5.

In table F4.1.3 for the regulatory year, the pipeline service provider must report the total operating expenditure for each operating expenditure category.

The operating expenditure reported for each operating expenditure category must be inclusive of any attributable (non-capitalised) corporate and network overhead operating expenditure. Consistent with the application of definitions agreed with the AER, directly attributable costs exclude any overheads, unless the expenditure relates to corporate overheads or network overheads. For further information see section 4.2.1.

14.1.6 ***Methodology and assumptions***

Amadeus has applied a consistent methodology for the regulatory year.

14.1.7 ***Use of estimated information***

None

14.1.8 ***Material accounting policy changes or changes of allocation***

None

14.1.9 ***Reconciliation***

No differences $\pm 10\%$ were noted in the actual operating expenditure compared to previously forecasted information for the regulatory year. Refer section 4.5.1 for the forecasted amounts.



15 **Worksheet F6. Related party transactions**

Amadeus has used the definition of “related party” as being consistent with that in the Australian Corporations Law and definition in Appendix F.

APA Group applies an internal operations model to its portfolio of businesses. That is, APA Group personnel operate APA Group assets, including the Amadeus Gas Pipeline. Whilst APA Group uses specialist contractors for defined tasks, APA Group does not contract the general operation of its assets to external or related party entities. This internal operation model allows APA Group to share costs among the operating businesses and achieve synergies which results in lower costs to customers.

Many of these shared functions, such as procurement and capital raising, are performed centrally through a corporate entity. Virtually all other functions, including specialist engineering functions, are conducted through specialist teams that work across a number of assets in the APA Group portfolio. The costs associated with these functions are allocated among the relevant APA Group operating businesses, including APT Pipelines (NT) Pty Ltd, the Amadeus Gas Pipeline service provider. No margins, management fees or incentive payments are applied to costs allocated within the group.

APT Pipelines (NT) Pty Ltd is not an employing entity and has never been. Accordingly, all costs attributable to Amadeus are incurred by another APA Group entity.

Through discussions with the AER to clarify the requirements of the RIN, Amadeus has agreed with the AER that costs incurred by APA Group entities and allocated to APT Pipelines (NT) Pty Ltd will not be considered to be related party transactions.

Amadeus provides gas transportation services to the Darwin distribution system, which then provides a bundled service to a number of customers in Darwin. The contracts for this service have been provided to the AER as an Associate Contract under the NGL. Revenue from providing this service is included in Amadeus revenue, however the amounts are below the reporting threshold of \$1,000,000 as shown on table F6.2.1.

Amadeus thus reports no related party transactions under this RIN.



16 Worksheet F7. Provisions

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets a provision is a liability of uncertain timing or amount. Amadeus has two provisions in its statutory trial balance:

- A provision related to an unregulated business which has not been reported in worksheet F7; and
- A provision relating to profit sharing revenue for the year 2019-20 has been included in table F7 provisions. This relates to the settlement with a key customer in relation to profit sharing on third party services which has been offset against revenue (not opex). The provision is expected to be settled in the 2020-21 regulatory year or at the latest in February 2022 (16 months from execution in June 2020).

As mentioned above Amadeus is not an employing entity and has never been, therefore it does not have the contractual obligations to recognise any employee provisions. All employment related provisions are recorded in a related entity.



17 Worksheet F9. Pass throughs

The RIN Notice requires:

2.14 *Workbook 2 – Annual Performance Data, regulatory template F9. Pass throughs instructions:*

(a) The *pipeline service provider* must report the expenditure incurred in relation to *AER* approved pass through events, or pass through events which the *pipeline service provider* will propose for *AER* approval. The pass through events which the *pipeline service provider* will propose to the *AER*, must be expressly noted as being “proposed for *AER* approval.”

The 2016-21 Amadeus access arrangement (s4.7.3) includes a pass through provision to accommodate material unforeseen changes impacting the revenues or costs of the covered pipeline. The Cost Pass-through Reference Tariff Variation Mechanism adjusts tariffs, subject to the *AER*’s approval, to accommodate these changes.

As there have been no qualifying pass through events in the reporting period, Amadeus reports no activity in Tab F9 and therefore the worksheet has been reported blank.



18 Worksheet F10. Assets

18.1.1 Compliance with requirements

The Amadeus RIN instructions for Schedule F10 require:

Compliance Requirement	Amadeus Compliance
2.15 <i>Workbook 2 – Annual Performance Data, regulatory template F10. Assets (Capital Base) instructions:</i>	
(a) The <i>pipeline service provider</i> must reconcile the information included in table F10.1 (<i>capital base values as-incurred</i>) to:	
(i) any decision that the <i>AER</i> has made in relation to <i>capital base</i> values unless that decision incorporates forecasts (for example, additions for the last year of the previous <i>access arrangement period</i>) in which case those forecast values should be replaced with actual values where possible. Actual values must be reconciled to amounts reported for <i>as-incurred capital expenditure</i> in <i>regulatory template F2. Capex</i> ; and	The AER has not made a decision in relation to the capital base values for the reporting year. The F10 reconciles to the tab F2 Capex.
(ii) for years where the <i>AER</i> has not made a decision on values for the <i>capital base</i> , <i>capital base</i> values must be prepared in accordance with the instructions provided by this <i>notice</i> . In this circumstance actual additions (recognised in the <i>capital base</i>) and <i>disposals</i> must reconcile to amounts reported for <i>as-incurred capital expenditure</i> in <i>regulatory template F2. Capex</i> .	The AER has not made a decision in relation to the capital base values for the reporting year. The F10 reconciles to the tab F2 Capex.
(b) The <i>pipeline service provider</i> must reconcile the information included in table F10.2 (<i>capital base values as-commissioned</i>) to: (i) any decision that the <i>AER</i> has made in relation to <i>capital base</i> values unless that decision incorporates forecasts (for example, additions for the last year of the previous <i>access arrangement period</i>) in which case those forecast values should be replaced with actual values where possible. Actual values must be reconciled to amounts	The AER has not made a decision in relation to the capital base values for the reporting year. The F10 reconciles to the tab F2 Capex.



<p>reported for <i>as-commissioned capital expenditure</i> in <i>regulatory template F2. Capex</i>.</p>	
<p>(ii) for years where the <i>AER</i> has not made a decision on values for the <i>capital base</i>, <i>capital base</i> values must be prepared in accordance with the instructions provided by this <i>notice</i>. In this circumstance actual additions (recognised in the <i>capital base</i>) and <i>disposals</i> must reconcile to amounts reported for <i>as-commissioned capital expenditure</i> in <i>regulatory template F2. Capex</i>.</p>	<p>The <i>AER</i> has not made a decision in relation to the capital base values for the reporting year. The F10 reconciles to the tab F2 Capex.</p>

18.1.2 Sources of information

The 2019-20 opening value of the regulatory capital base is drawn directly from the historical ARIN as submitted to the AER in July 2020. The opening value for the regulatory period is derived through the application of indexation, depreciation, additions, a WACC adjustment on additions, and disposals, as discussed below.

The AER's Asset Base Roll Forward Model indexes the opening value of the regulatory capital base for inflation. The capital base is indexed by the December-on-December movement in CPI (weighted average of eight capital cities) as published by the Australian Bureau of Statistics. The roll forward model indexation is separately identified in rows 13 and 27 as appropriate.

Straight line depreciation is drawn from the AER's approved Post Tax Revenue Model issued with its 2016 final determination revenue model. Consistent with the AER's 2016 final determination, the regulatory capital base is rolled forward using forecast depreciation reflecting the forecast capital expenditure, rather than depreciation reflecting actual capital expenditure. Straight line depreciation reported is in nominal dollars. This is reflected in rows 14 and 28.

Consistent with the RIN instructions, actual additions agrees to the actual capital expenditure amounts shown in Schedule F2.4.2 and F2.4.4.

The AER's Asset Base Roll Forward Model, recognising that capital expenditure takes place over the course of the year, assumes for modelling purposes that all capital expenditure is undertaken at the midpoint of the year. The roll forward model therefore allows for a half-year of financing costs to be added to current year capex in determining the regulatory capex values. This is drawn from the AER roll forward model and reported as "WACC adjustment" on lines 16 and 30 as appropriate.



Disposals are reported in both the roll forward model and Tab F10 at the proceeds of disposal, reflecting the amount of invested capital that has been returned to Amadeus through the disposal.

18.1.3 *Methodology and assumptions*

The title to Schedule F10.2 – Capital Base values - As Commissioned clearly indicates that it is intended to roll forward the regulatory capital base for capex “as commissioned”. While it is not clear from the AR RIN or the templates, Amadeus has presumed from the schedule titles that Schedule F10.1 is intended to report the roll forward of the regulatory capital base “as-incurred”. Amadeus has reported capital expenditure in the roll forward model on an “as-incurred” basis. The capital expenditure in Schedule F10.1 reconciles to that reported in Schedule F2.4.2 (Capex by asset class - Actual – as-incurred), whereas the capex in Schedule F10.2 reconciles to that in Schedule F2.4.4 (Capex by asset class - Actual – as-commissioned).

18.1.4 *Use of estimated information*

All information used in the preparation of Schedules F10.1 and F10.2, are actuals drawn from Amadeus’ trial balance (e.g. actual additions, proceeds of disposal), or calculated in the AER roll forward model using the AER’s calculation methodology and actual inputs (e.g. ABS-published CPI).

18.1.5 *Material accounting policy changes or changes of allocation*

None.

18.1.6 *Reconciliation*

The AR RIN requires actual additions in Schedules F10.1 and F10.2 to be reconciled to actual capex in Table F2 and it reconciles without exception.

Schedules F10.1 and F10.2 calculate regulatory asset values based on actual capital additions for the regulatory year.

19 Appendix 1 – KM points for AGP

Section lengths have been calculated based on the distances between facilities using the kilometre points (“KP’s”) in the Pipeline Management Plan. This information has been reported in Table N2.1 in the worksheet Network Characteristics.

Legend:	
CS	Compressor Station (include LV)
LV	Line Valve
MS	Meter Station
OP	Odorant Plant
OT	Offtake (to spur lines or lateral pipeline)
SP	Solar Powered Site
SS	Scraper Station (includes LV)
T	Telemetered Site
TS	Transfer Station, Pressure Offtake Station (delivery point, no metering)

All telemetered valves are remotely operated and controlled. Non telemetered line valves cannot be remotely operated.

Site KP	Site Name	Site Type				
PL04						
AD-2.9	Palm Valley	SS		MS		T
PVIC00	Palm Valley Interconnect			MS		T
AD45.7	Tylers Pass	LV	TS	SP		T
AD161.0	Tanami Road / Tanami Pipeline Offtake	SS	LV	SP	OT	T
AD241.8	Aileron		LV			
AD316.1	Ti Tree	SS	LV	SP		T
AD401.0	Barrow Creek		LV			
AD458.1	Wauchope	SS	LV	SP		T
AD546.7	Kelly Well		LV			
AD577.5	Tennant Creek Offtake				OT	
AD610.8	Warrego / Northern Gas Pipeline Offtake	SS	LV	CS	OT	T
AD660.2	Morphett Creek		LV			
AD733.7	Renner Springs	SS	LV	SP		T
AD791.6	Fergusson		LV			
AD828.0	Elliott Offtake				OT	
AD844.4	Newcastle Waters	SS	LV	SP		T
AD935.4	Dunmarra		LV			
AD981.8	Daly Waters Offtake	SS	LV		OT	T
AD1053.1	Larrimah		LV			
AD1107.9	Mataranka	SS	LV	SP		T
AD1121.5	Mataranka Offtake (Northern Cement)	MS		SP	OT	T
AD1209.0	Tindal		LV			
AD1227.8	Katherine Offtake				OT	
AD1242.7	Helling	SS	LV	SP		T
AD1265.0	Mount Todd Offtake	SS			OT	

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Site KP	Site Name	Site Type				
AD1317.0	Pine Creek Offtake		LV	MS	OT	T
AD1377.6	Ban Ban Springs Inlet	SS	LV	SP		T
AD1441.0	Batchelor		LV	SP		T
AD1453.6	Manton Offtake				OT	
AD1465.3	Acacia		LV			
AD1476.7	Noonamah Offtake				OT	T
AD1486.5	Berry Springs		LV			
AD1498.9	Darwin City Gate	SS	LV		TS	T
Channel Island Lateral						
AD1510.8	Channel Island	SS	LV	MS		T
Mereenie Spur						
MT00	Mereenie	SS		MS		T
MT65.5	Missionary Plain		LV			
MT115.3	Tylers Pass	SS			SP	T
Tennant Creek Lateral						
TT00	Tennant Creek Offtake	SS			OT	
TT23.7	Tennant Creek	SS		MS		T
Katherine Lateral						
KK00	Katherine Offtake	SS			OT	
KK05.1	Katherine	SS		MS		T
PL10 Elliott Pipeline						
EE00	Elliott Offtake				OT	
EE03.8	Elliott Power Station			MS		T
PL18 Darwin Distribution Pipeline						
DB00	Darwin City Gate	SS		MS	OP	T
DB16.8	Tivendale Road		TS			
DB19.4	Berrimah Road	SS	TS			
PL19 Mt Todd Pipeline						
MP00	Mt Todd Offtake	SS			OT	
MP10.1	Mt Todd Mine	SS		MS		T