

Schedule 3 – Historical Information

1 Provide historical financial information

- 1.1 If not previously provided to the AER, provide in the materials submitted to the AER:
- (a) the regulatory accounting principles and policies and the capitalisation policy for the relevant regulatory year
 - (b) the cost allocation methodology for the relevant regulatory year
 - (c) a statement of policy for determining:
 - (i) the allocation of costs of the relevant regulatory year
 - (ii) the allocation of overheads for the relevant regulatory year.

Regulatory accounting principles and policies, capitalisation policy, methods of cost allocation, and cost allocation policies, relevant to the historical financial information, have been provided to the AER. The documents were submitted along with the Basis of Preparation document which RBP was required to complete and submit to the AER in December 2020 in response to the Annual Regulatory Information Notice, issued on 1 April 2020 as varied, requiring the reporting of historical financial information for the regulatory years 2011-12 2019-20.

- 1.2 Identify all material changes in the policies provided in the response to paragraph 1.1(c) compared to information previously provided to the AER. For each change identified:
- (a) explain the nature of and the reasons for the change; and
 - (b) quantify the effects of the change on the regulatory templates for the relevant regulatory year.

There was no material change in the policies for determining the allocations of costs and overheads referred to in paragraph 1.1(c) for the reported regulatory periods.

2 Compliance with current access arrangement

Cost pass through

2.1 Describe in the materials submitted to the AER the processes and procedures Amadeus has in place to:

- (a) identify negative cost pass through events under the current access arrangement
- (b) determine the materiality (as defined in clause 4.5.5 of the current access arrangement) of cost decreases.

Administration of the Access Arrangement for the Roma Brisbane Pipeline is the responsibility of the Economic Regulatory and External Policy function within APA's Governance and External Affairs business unit. The functional accountabilities of this subunit are:

- APA's economic regulation strategy, standards and processes, and external policy framework
- APA's external policy position advocacy
- Regulatory market monitoring
- Stakeholder engagement strategy
- Regulatory compliance plans
- Business education
- Regulatory advice to business
- Management of access arrangements
- Regulatory compliance reporting and responses.

Members of Economic Regulatory and External Policy function meet at least once every week to review and discuss regulatory matters. Were the negative cost pass through events to occur, cost pass

through events under the current the Access Arrangement for the Roma Brisbane Pipeline would be identified by this function.

Section 4.5.4 of the Access Arrangement allows, subject to AER approval, cost pass throughs for seven types of cost pass through events. They are:

- insurance cap event
- insurer credit risk event
- natural disaster event
- regulatory change event
- service standard event
- tax change event
- terrorism event

Each of these events is broadly defined, and determination of the increase or decrease in costs on realisation of any one of them would require close examination of the specific circumstances of the event.

The Economic Regulatory and External Policy function monitors APA Group regulated pipelines, including RBP, to determine, initially, whether there have been any "events" which result in costs which may qualify for pass-through treatment.

Should costs be found to change, assessment of whether the change is, or is not, material is in accordance with the criterion (materiality threshold) in the paragraphs of section 4.5.5 of the Access Arrangement:

For the purpose of any defined Cost Pass-through Event, an event is considered to materially increase or materially decrease costs where that event has an impact of one per cent of the smoothed forecast revenue specified in the access arrangement information, in the years of the access arrangement period that the costs are incurred.

3 Cost allocation to RBP

- 3.1 Identify in the materials submitted to the AER each item in the regulatory templates that is:
- (a) not allocated on a directly attributable basis but is allocated on a causation basis to RBP
 - (b) not allocated on a directly attributable basis and cannot be allocated on a causation basis to RBP

Four regulatory templates are attached as Appendix A of the Reset RIN. *Workbook 2 – Historical data* provides information relating to the current access arrangement period. This information is in the following worksheets in Workbook 2:

- E.2 Replacement CAPEX, by driver and by project
- E3. Expansion CAPEX, by driver and by project
- E6. Non-network CAPEX, by driver and by project
- E10. Overheads, which also includes OPEX.

Worksheet E13 Other CAPEX – in Workbook 2 may also be used to report historical financial information. However, RBP has not reported any “other CAPEX”. All of RBP’s CAPEX is reported as replacement or expansion CAPEX. RBP reports no Non-network CAPEX in line with the current access arrangement.

Based on the agreed approach with the AER, APA has reported all capital and operating expenditures as directly attributable to the service provider and to the reference service.

All expenditure reported in worksheets E.2, E.3 and E.10 has been reported as directly attributable to RBP.

- 3.2 For each item identified in the response to paragraph 3.1(a):
- (a) state the amount of the item that has been allocated to RBP
 - (b) explain the method of allocation and the reasons for choosing that method

- (c) state the amount of each allocator used
- (d) explain the reasons why it cannot be directly attributable

Based on the agreed approach with the AER, APA has reported all capital and operating expenditures as directly attributable to the service provider and to the reference service.

As a result, no amount has been reported as not allocated on a directly attributable basis but is allocated on a causation basis to RBP.

3.3 For each item identified in the response to paragraph 3.1(b):

- (a) state the amount
- (b) state whether it was material
- (c) explain the method of allocation and the reasons for choosing that method
- (d) explain the reasons why it cannot be allocated on a causation basis

No amount has been identified as not able to be allocated on a directly attributable basis and not able to be allocated on a causation basis to RBP.

4 Cost allocation to services

- 4.1 Identify each item in the regulatory template attached at Appendix A that is:**
- (a) directly attributable from RBP to either reference services or other services provided as a covered pipeline
 - (b) not directly attributable but is allocated on a causation basis from RBP to reference services or other services provided as a covered pipeline
 - (c) not directly attributable and cannot be allocated on a causation basis from RBP to reference services or other services provided as a covered pipeline

Four regulatory templates are attached as Appendix A of the Reset RIN. *Workbook 2 – Historical data* provides information relating to the current access arrangement period. This information is in the following worksheets in Workbook 2:

- E.2 Replacement CAPEX, by driver and by project
- E.3 Expansion CAPEX, by driver and by project
- E.6 Non-network CAPEX, by driver and by project
- E.10 Overheads, which also includes OPEX.

All expenditure reported in worksheets E.2, E.3and E.10 is directly attributable from RBP to the firm service reference service of the Access Arrangement for the Roma Brisbane Pipeline.

4.2 For each item identified in response to paragraph 4.1(a) state the amount of the item that is directly attributable to:

- (a) reference services
- (b) other services provided as a covered pipeline

All amounts identified in response to paragraph 4.1(a) above are directly attributable to the firm service reference service of the Access Arrangement for the Roma Brisbane Pipeline.

No amount is directly attributable to other services provided using the covered pipeline.

4.3 For each item identified in the response to paragraph 4.1(b):

- (a) State the amount of the item that has been allocated to:
 - (i) reference services
 - (ii) other services provided as a covered pipeline
- (b) explain the method of allocation and the reasons for choosing that method
- (c) state the amount of each allocator used

- (d) explain the reasons why it cannot be directly attributable

No amount has been identified as not directly attributable but able to be allocated on a causation basis from RBP to reference services or other services provided using the covered pipeline.

4.4 For each item in the response to paragraph 4.1(c):

- (a) state the amount of the item that has been allocated to:
- (i) reference services
 - (ii) other services provided as the covered pipeline
- and whether it was material.
- (b) explain the method of allocation and the reasons for choosing that method
- (c) explain the reasons why it cannot be allocated on a causation basis.

No amount has been identified as not directly attributable and not able to be allocated on a causation basis from RBP to reference services or other services provided using the covered pipeline.