

1 May 2023

Kris Funston  
 Executive General Manager Network Regulation  
 Australian Energy Regulator  
 Level 29 | 135 King Street, Sydney  
 Via email: aerpricing@aer.gov.au

Dear Kris

**ROMA BRISBANE PIPELINE - NOTIFICATION OF ANNUAL TARIFF ADJUSTMENT  
 (Reference Tariffs Effective 1 July 2023 to 30 June 2024)**

In accordance with section 4.5 of the Access Arrangement for the Roma Brisbane Pipeline (RBP), APT Petroleum Pipeline Limited (APTPL) intends to adjust the RBP Reference Tariffs (Eastbound and Westbound) via the following tariff adjustment calculations.

$$RTe_n = RTe'_n \times (1 - RB_n) \text{ (East bound)}$$

$$RTw_n = RTw'_n \times (1 - RB_n) \text{ (Westbound)}$$

Where:		Value for the purpose of this Notice:
RTe <sub>n</sub> and RTw <sub>n</sub>	means the Long Term Firm Service Tariff in Year n, for Eastbound and Westbound respectively	0.6373
n	means the Year in which the adjusted Long Term Firm Service Tariff is to be applied	2024
RTe' <sub>n</sub> RTw' <sub>n</sub>	means the unadjusted Long Term Firm Service Tariff in Year n (for Eastbound and Westbound respectively), prior to adjustments to account for the rebate of rebateable services revenues as set out in formulas below $RTe'_n = RTe'_{n-1} \times \left[ 1 + \frac{CPI_{n-1} - CPI_{n-2}}{CPI_{n-2}} \right] \times (1 - X) \text{ (Eastbound)}$ $RTw'_n = RTw'_{n-1} \times \left[ 1 + \frac{CPI_{n-1} - CPI_{n-2}}{CPI_{n-2}} \right] \times (1 - X) \text{ (Westbound)}$	0.6604
RTe' <sub>n-1</sub> RTw' <sub>n-1</sub>	means the unadjusted Long Term Firm Service Tariff in Year n-1, prior to adjustments to account for the rebate of rebateable services revenues, Eastbound and Westbound respectively	0.6778
CPI	means Consumer Price Index (All Groups — weighted Average Eight Capital Cities) published quarterly by the Australian Bureau of Statistics	
CPI <sub>n-1</sub>	means the CPI published for the December quarter in Year n-1. For tariffs in 2023-24, n-1 is December quarter 2022	130.8
CPI <sub>n-2</sub>	means the CPI published for the December quarter in Year n-2. For tariffs in 2023-24, n-2 is December quarter 2021	121.3
X	the X factor for each financial year of the 2012–27 access arrangement period as determined in the PTRM as approved in the AER's final decision, and annually revised for the changes in the return on debt	-0.41% for 2023-24
RB <sub>n</sub>	The <i>rebateable services adjustment factor</i> calculated as follows: $RB_n = 0.70 \left[ \left( \frac{R_{n-2} \times (1 + WACC_n)}{RT'_n Q_n} \right) \right]$	0.0598

Where:		Value for this notice
R <sub>n-2</sub>	is any rebateable service revenue amount earned by APTPPL in whole or part in calendar year n-2 for services classified as rebateable services.	\$3.83M
RT' <sub>n</sub> Q <sub>n</sub>	is the forecast revenue from reference services in year n. This is based on the following values: <ul style="list-style-type: none"> <li>RT'<sub>n</sub> = \$0.6778/GJ/day</li> <li>Q<sub>n</sub> = 199.4 TJ/day</li> </ul>	\$49M
WACC <sub>n</sub>	Is the approved nominal weighted average cost of capital (WACC) for the relevant regulatory year using the following method: <i>NominalVanillaWACC<sub>n</sub></i> = ((1 + <i>realVanillaWACC<sub>n</sub></i> ) x (1 + <i>CPI<sub>n</sub></i> ) Where: <ul style="list-style-type: none"> <li>the <i>realVanillaWACC<sub>n</sub></i> is as set out in the final decision PTRM and updated annually. The value for this notice is 2.21%.</li> <li><i>CPI<sub>n</sub></i> is the change in CPI from year n-2 to year n-1. The value for this notice is 7.83%.</li> </ul>	10.21%
0.70	the sharing ratio between APTPPL and shippers who are taking the reference service.	0.70

Tariffs reflecting the rebate of the Rebateable Service adjustment factor are shown below.

### Reference Tariffs to apply from 1 July 2023

The Long Term Firm tariffs for both Eastbound and Westbound are identical. They are calculated as follows:

$$\begin{aligned}
 RTd_n &= RTd'_n \times (1 - RB_n) \\
 &= 0.6778 \times (1 - 0.0598) \\
 &= 0.6778 \times 0.9402 \\
 &= 0.6373
 \end{aligned}$$

Where

- “d” is the gas flow direction, it can be “e” for Eastbound and “w” for Westbound
- n = 2024

Therefore:

$$RTe_{2024} = RTw_{2024} = \$0.6373 \text{ per GJ per day}$$

### Reporting of rebateable services revenue

As part of its annual tariff variation notice for tariffs commencing each 1 July, APTPPL is required to report on the revenues it has earned during the prior calendar year in respect of:

- Park and loan services;
- In-pipe trading services; and
- Capacity trading services;

on the Roma to Brisbane Pipeline during 2023–27. The value of those revenues will then be input into the rebateable services adjustment factor formula.

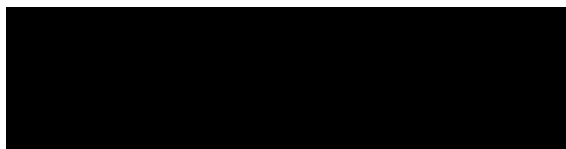
These values are as per the following table.

	<b>Calendar 2022</b>
Park and Loan	\$3,402,187
In-Pipe Trading	\$284,446
Capacity Trading	\$147,297
<b>Total Rebateable Services Revenue</b>	<b>\$3,833,930</b>
Rebate proportion	0.7
WACC adjustment	10.21%
Rebateable amount	\$2,957,894
Forecast volume (TJ/day)	199.4
Rebateable Services Tariff Impact (\$/GJMDQ/day)	\$0.0405

This notice includes the updated CPI for December 2022, and the AER advice to APT Petroleum Pipeline Limited of the revised X Factor to apply following the AER's annual update to the cost of debt.

If you have any questions, please contact Ignatius Chin on 

Regards,



Ignatius Chin

Manager Regulatory