always powering ahead

November 30, 2021

Annual RIN reporting - Roma Brisbane Pipeline

RIN response and basis of preparation for 2021 regulatory year

Contents

1 Introduction

On 1 April 2020, the Australian Energy Regulator ("AER") issued APT Petroleum Pipelines Pty Limited ("RBP" or "APTPPL") (the Service provider for Roma Brisbane Pipeline) with a Regulatory Information Notice ("RIN") under Division 4 of Part 1 of Chapter 2 of the National Gas Rules (Queensland) Law ("NGL"), as varied on 3 November 2020.

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

Data supplied in this RIN relates to the Annual RIN for the 2021 regulatory year ("annual year" or "fiscal year 2020-21").

As specified in the RIN, RBP is required to provide the information annually from the 2020 regulatory year (30 November 2020) and these annual requirements are required to and including the 2030 regulatory year.

This Basis of Preparation document applies to the RIN issued to Roma Brisbane Pipeline and the service provider is APT Petroleum Pipelines Pty Limited.

1.1 Pipeline-specific information

1.1.1 *Roma Brisbane Pipeline*

RBP (also known as the Wallumbilla to Brisbane Pipeline) is a transmission pipeline owned and operated by APA Group through its wholly owned subsidiary APT Petroleum Pipelines Pty Limited.

The RBP was constructed in 1969 and consists of:

(a) the mainline pipeline from Wallumbilla (near Roma) to Brisbane and associated facilities (Mainline);

(b) the lateral pipeline known as the Lytton Lateral located at Lytton (formerly known as the "Caltex Lateral"); and

(c) the lateral pipeline from Arubial on the Mainline to Peat/Scotia, and associated facilities ("Peat Lateral").

It transports gas between the Wallumbilla gas hub (near Roma), Brisbane and regional centres along its route. Gas is sourced from gas fields (conventional gas and coal seam gas) in the Bowen-Surat basin via the Wallumbilla supply hub, the Kogan North gas plant and the Peat lateral pipeline.

The mainline of the RBP is 438 km in length and is fully looped. The Brisbane metro section of the pipeline is partially looped. The associated 121-kilometre Peat lateral pipeline, constructed in 2001, is a transmission pipeline and connects the Peat and Scotia gas fields to the RBP mainline at Arubial.

In 2015, RBP was upgraded to provide bi-directional flow, allowing gas to be transported from coal seam gas fields located part way along the length of the pipeline to flow to the Wallumbilla gas supply hub.

RBP (mainline and Peat lateral) was a covered pipeline and regulated by the ACCC under the Gas Code. It is currently subject to full regulation under the NGR by the AER.

1.1.2 *RBPs access arrangements and regulatory determinations*

For this annual reporting, forecasting information was used from the 2017-22 access arrangement ("AA") determination. Below is the overview of commencement and important dates.

Access arrangement referred to in this basis of preparation:	**"2017-2022"**
Final decision for the specific access arrangement ("Final determination") (per AER website)	30 November 2017 updated 16 June 2020
RBP's fiscal years included in the AA	2017-18 2018-19 2019-20 2020-21
RBP regulatory considerations within the access arrangement determination	12 months capex, revenue & Opex
Debt rasing cost allowance	Allowance provided by the AER, Recorded as actuals in the RIN reporting
Equity raising cost allowance	No allowance provided by the AER, 0 reported as actuals
Rebateable services	Commenced 1 January 2018 – first reporting period was 6 months

RBP has in previous access arrangements always forecasted annual numbers (for 12 months). In certain instances when AER have been delayed in their determinations the actuals were reported on extended time but no re-forecast was submitted.

Table F2.7.1 Immediately deductable expensing of capex reports capex on a fiscal year basis for all years in line with the tax return.

During these periods revenue and opex is reported as 12 months fiscal year information.

For the 2017-22 access arrangement, the AER post tax revenue model ("PTRM") included a tab for Equity Raising cost. In the AA the AER analysis indicated that retained cash flow exceeded the capex forecast, so there was no need to raise equity – hence no equity raising costs were allowed in the AA.

1.2 How RBP's response to each variable meets the requirements of the RIN

RBP 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.
    - The reporting methodology and assumptions
    - Where adopted, the basis of estimates and assumption utilised.
- Explanations where RBP 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 2021.

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. RBP 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. RBP has reported these amounts as estimates in the "Estimate Historical Performance Data workbook" or 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 RBP'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 Historical and 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 RBP could not populate the information templates with actual information, RBP has provided its best estimate. For each instance where RBP 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

- the regulatory accounting principles and policies for the relevant regulatory year;
- the cost allocation methodology ("CAM") for the relevant regulatory year;
- the capitalisation policy for the relevant regulatory year;
- the statement of policy for determining the allocation of overheads in accordance with the cost allocation method for the relevant regulatory year;
- APA organisational chart. The service provider has no subsidiaries therefore the organisation structure of the pipeline service provider is not applicable;
- Audit opinion;
- Review conclusion;
- Limited assurance opinion for Non-financial data; and
- Regulatory templates – Historical Performance Data workbook and Annual Performance Data workbook
  - Consolidated
  - Estimates - subject to review for the financial data and subject to limited assurance for the non-financial data for the period 2020-21
  - Actuals- subject to audit for the period 2020-21.

In the materials submitted to the AER, no material changes occurred in the capitalisation policy for the relevant regulatory years. RBP is submitting the relevant policies for the regulatory years.

1.6 Rounding

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

1.7 Update on prior period financial information

During the preparation of the 2021 financial information the following was noted:

- Relating to table *F2.4.4 Capex Actual - As Commissioned* - An asset was placed in service (commissioned) in the 2020 regulatory year but was not capitalised (recorded as commissioned capital expenditure) until the 2021 regulatory year. The 2020 "As-commissioned" capital base as reported in the 2020 Annual RIN is therefore understated by $554,992. As these Annual RIN templates only present the current year information, APA has corrected this 2020 error by recording the capital expenditure "As Commissioned" in the 2021 Annual RIN. APA has concluded the 2020 uncorrected amounts are immaterial and therefore does not propose to re-submit prior period Annual RIN reporting. The impact of making the adjustment in the 2021 Annual RIN has also been assessed as immaterial.

- During the preparation of the 2021 financial information, in response to an enquiry from the AER, it was noted that in the RBP Reset RIN lodged in July 2021 APA reported a total of $921,736 as capital expenditure Expansion across the 2019 and 2020 regulatory years which upon clarification received from the AER, should not have been reported within the Reset RIN. As these Annual RIN templates only present the current year information, we have adjusted for this clarification received by recording negative capital expenditure of $921,736 in the 2021. This has been corrected in the following 2021 tables, *E1.1.1 – Capex Reference Services, F2.4.2 Actual – As Incurred and F10.1 Capital Base Values*. APA has concluded the 2019 Historical ARIN and 2020 Annual ARIN uncorrected amounts are immaterial and therefore does not propose to re-submit. The impact of making the adjustment in the 2021 Annual RIN has also been assessed as immaterial.

2 General overview and information

2.1 Sources of information

RBP's 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 RBP's statutory trial balance. RBP's 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 to RBP shared corporate expenditure based on a revenue allocation method and shared assets on the basis of allocated shared corporate expenditure. For further details of allocation methods, refer to section 5.1.2 for shared corporate expenditure allocation and 4.1.1.4 for shared assets.

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

For the purposes of non-financial information, RBP 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 RBP's audit of statutory account balances

The RIN requires RBP to use the audited statutory trial balances as the foundation for the RIN reporting. Prior to the RIN, there were no regulatory requirements for RBP to have the service provider's trial balances audited.

Based on discussions with the AER, RBP's audited trial balance requirements are as follows:

Annual reporting (Regulatory year 2019-20 onwards):

Audited statutory trial balance requirement for the regulatory year and worksheet F1 is subject to audit from the year 2019-20 onwards.

2.3 General methodology and principles

Methodologies used for the preparation of the RIN annual 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 RBP's statutory trial balance which forms part of APA Group's Consolidated Statutory Financial Statements.

The requested information for the RIN annual reporting does broadly align with legal entity reporting. RBP owns only scheme assets and has no subsidiaries. The reported financial information provided is supported by RBP's regulatory accounts, underlying customer contracts, direct costs and detailed reviews of invoices and asset registers as relevant.

With respect to the 2020-21 financial information certain *actual amounts* for RBP 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 2020-2021 estimated financial information has been reviewed by Deloitte Touche Tohmatsu. With respect to the 2020-21 non-financial information Deloitte Touche Tohmatsu has issued a limited assurance report.

The Annual regulatory reporting period ("annual reporting period" or "2020-21" is for the fiscal year 2020-21 is reported in the Annual Performance Data workbook ("the annual regulatory template").

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 RBP

There are customers using the reference service on RBP, revenue is reported as revenue from reference and 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 some shippers are using non-reference services. 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.

RBP 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.
- Allow attributions or allocations to be audited or otherwise verified by a third party, including the AER.

3 Workbook 1 & 2 - The Regulatory templates

RBP will submit the Workbook 2 – Annual Performance Data excel workbook disclosing financial information relating to the 2021 regulatory year :

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 RBP the cell has not been populated e.g. as a “null” response with an explanation in this document. In those instances where RBP intends a zero value, the input is “0” which in the regulatory template format is presented as dash (“-”)

For the historical reporting period, with the exception of tab F1. Income and table F2.7 Immediate expensing of capex, these cells have been subject to Audit, Review or Limited assurance in line with RIN requirements.

For the annual reporting period all 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 RBP; 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	RBP Compliance
Appendix E - 1 Part A: ***General*** 1.1 The *financial information* must: (a) Be derived from the *audited statutory accounts*;	RBP’s financial information is derived either from RBP’s statutory trial balance or from AER determinations. As noted in section 2.2, RBP has derived information for its annual reporting template for the period ended 30 June 2021 from the audited statutory trial balance.
(b) Be verifiable by reference to the *audited statutory accounts*;	For the period ended 30 June 2021 financial information was derived from the audited statutory trial balance.
(c) Be prepared using the accrual basis of accounting;	RBP has consistently used the accrual basis of accounting in line with AASB requirements for the regulatory reporting periods.
(d) Report the substance, over the form, of a transaction, taking into account all aspects, implications and expectations of and motivations for the transaction and that a group or series of transactions that achieves, or is designed to	RBP statutory accounts are in line with the requirements of the AASB accounting standards. This covers underlying transactions for the financial information as reported in the RIN.

achieve, an overall commercial effect shall be viewed in aggregate;	Regulatory adjustments are consistent throughout the duration of the access arrangement.
(e) Only include costs that are incurred in or relate to the provision of *pipeline services*;	All cost reported as part of the financial information is either directly incurred by RBP or allocated to RBP and incurred in the provision of *pipeline services*.
(f) Be presented on a fair and consistent basis, from the *accounting records* that underlie the costs, revenue, *assets* employed and liabilities which may be reasonably attributed to the *pipeline service provider*;	RBP 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.
(g) Be prepared using the classification of services and *cost allocation method* for the relevant *regulatory year*;	RBP has consistently applied the same cost allocation method for all the relevant regulatory years, consistent with the RBP's Cost Allocation Methodology ("CAM"). RBP has complied consistently with the CAM over the reporting period. No changes have been made to the CAM, hence no quantification of effect of change for the regulatory year.
(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 *audited statutory accounts* except as otherwise required by this *notice*.	As noted in section 2.2 RBP has derived information from its audited statutory trial balance for the period ended 30 June 2021. RBP 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.
(i) Be presented in an understandable manner, without sacrificing relevance or reliability;	RBP has complied with this requirement by preparing this Basis of Preparation in an understandable manner without sacrificing relevance or reliability.
(j) State fairly the financial position of the *pipeline service provider*; and	Prior to the RIN requirement, RBP was not required to have audited statutory trial balances. For the period ended 30 June 2021 financial information was derived from the audited statutory trial balance in line with the RIN requirements. The reported financial information in the Regulatory template has been subject to an audit and review for the period 2020-21.

(k) Unless otherwise specified, not be adjusted for inflation.	Inflation has only been applied in those instances as allowed under the RIN.
1.4 Where information provided in the *regulatory templates* has previously been reported to the *AER*: (a) This information must reconcile with the previously provided information; or	RBP has identified instances where previously provided information does not reconcile. Refer below to section 3.2.1 in this basis of preparation.
(b) The *pipeline service provider* must explain why the information does not reconcile with the previously provided information in its *basis of preparation*.	RBP has previously reported information, for demand data, capex, operating expenditure which differs to amounts reported in this RIN. Refer to section 3.2.1 for further information.
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 the corporate group level. Where reconciliation is at the corporate group level the pipeline service provider must:	Refer to section 11.1.1 in Table F1.1 Audited statutory accounts.
(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 historical or 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.

3.2.1 *Reconciliation of previously reported actual historical information to the AER*

Appendix E – Part A: General, paragraph 1.4 of the Annual RIN requires RBP to report if information provided in the Annual RIN agrees with information previously provided to the AER, and if it does not agree, to reconcile the two. The information in the current access arrangement was reviewed at the total level, as the current reporting categories do not align to previously reported categories. Capital expenditure is required to be reported in categories that RBP does not use for the statutory financial reporting. For reconciliation purposes, RBP has provided information where the capital expenditure in aggregate reconciles to previously provided information.

3.2.1.1 Demand data

Demand data has historically not been reported in a consistent way. For the purposes of the RIN reporting, RBP's data has been revised to ensure consistent reporting among the historical and annual years. RBP has identified instances where the types of data provided in this RIN does not reconcile directly to data previously provided to the AER. This will be the case until the end of the 2017-22 access arrangement.

Historic demand data can be obtained from three different sources:

- metered data;
- contract data; and
- “allocated” data.

Metered data is the readings taken directly from meter’s that are physically measuring the volume of gas flowing past.

Contracted capacity on the RBP will have a maximum daily quantity or volume written into the terms and conditions which has been defined as contracted demand data.

The APA billing system records gas nominations against individual customers in order to determine the correct amount to bill that customer, this data is called “allocated” data. When all customers data are summed together this is “allocated” demand.

The above approaches all measure demand for pipeline services for different purposes and in different ways which means they give different results for total demand. RBP has used metered data in the past when providing historic demand data to the AER.

As required by the AER in table N2.4, RBP has provided demand data based on contracted demand. In table N1.3 Withdrawal points by location, RBP has provided “allocated” demand data in order to be able to identity withdrawal demand by withdrawal point. Therefore these two table’s total numbers will not reconcile as they are based on different data types for the relevant reporting purposes.

3.2.1.2 Revenue

Actual revenues (including non-reference service revenues) have not previously been reported to the AER. The forecast reference tariff revenues have previously been provided.

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. RBP 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, RBP has applied the definition of “directly attributable costs” from the Appendix F to this RIN for the historical and annual years. In particular, this definition provides that “directly attributable costs excludes any overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads”.

RBP 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	RBP 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:	RBP financial information is derived from RBP's trial balance and/or AER determinations. As noted in section 2.2 RBP has derived information from its audited statutory trial balance for the period ended 30 June 2021.
(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.
(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 RBP in the regulatory reporting periods.
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 RBP in the regulatory periods. No revaluations or adjustments are made in the regulatory templates.

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.	The statutory trial balance includes goodwill however no goodwill or impairment has been recorded for RBP for the regulatory year stated in the reporting template.
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 1 & 2 – Historical and Annual Performance Data, regulatory template F1. Income.	No impairment losses have been incurred or recognised on RBP. Hence a zero is reported in this cell in Worksheet F1.
2. Part B: Explanatory Instructions - Workbook 1 & 2 2.1 Workbook 1 & 2 – Historical and Annual Performance Data, regulatory templates 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 contributions for reference services is also to be identified as the last row in Table E1.1.1.	RBP has complied with this in Table E.1.1.1 In all cases for statutory reporting, items of property, plant and equipment are capitalised when commissioned. For reporting purposes under this RIN. RBP 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. For reporting purposes for this requirement, RBP 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.

4.1.1.3 Sources of information

The amounts for these tables were sourced from RBPs Oracle financial system for the regulatory period and represents actuals.

4.1.1.4 Methodology and assumptions

RBP 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 RBP 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 reclassified in the fixed asset register and statutory depreciation commences. For these reporting purposes, RBP has added capital work in progress to the relevant capital expenditure categories as the RIN prohibits the reporting of a separate capital work in progress asset category. In compliance with this RIN RBP has reported the capital expenditure on an "as-incurred" and "as-commissioned" basis. The information has been sourced from capital work in progress reports each 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.

In addition to directly attributed capital expenditure and other attributable costs, each pipeline has been allocated a portion of the shared support assets using a transmission revenue based allocator, consistent with the categorisations in the access arrangement' determinations. This was presented in the access arrangement's asset class category Operations and Management ("O&M") facilities.

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

In order to determine the value of corporate support assets attributable to each service provider, RBP had adopted the ratio of attributed shared assets to APA revenue.

Methodology for 2016-17 regulatory year and subsequent years

RBP developed a consistent approach for all regulatory and non-scheme assets and applied this on RBP in the following year 2016-17. For the subsequent regulatory years, RBP has adopted the ratio of attributed shared assets to APA corporate costs for the reporting period in line with the regulatory accounting principles.

In order to determine the value of shared support assets attributable to each service provider, RBP adopted the ratio of attributed shared corporate costs to total APA corporate costs for the reporting period:

$$\text{Service provider shared support assets} = \text{Specific APA shared support assets which benefits RBP} \times \frac{\text{Service provider corporate costs}}{\text{APA corporate costs}}$$

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 RBP financial systems and business records.

4.1.1.6 Material accounting policy changes or changes of allocation

As mentioned in section regarding changed allocation methodology of shared support assets 4.1.1.4.

4.1.1.7 Reconciliation

No reconciling differences are identified to previously reported amounts.

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

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

RBP's capital expenditure for the year 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). RBP has incurred no capital expenditure for other services provided as a covered pipeline for the period.

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

4.1.5 *Table E.1.1.5 – All capex*

Given RBP has no other services provided as a covered pipeline capital expenditure in the reporting period, 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 the 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 reported in table E1.1.5 complies 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 RBP 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.

RBP has defined repairs and maintenance costs as costs directly associated with operating the pipeline such as O&M contracting cost inclusive of RBP 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 defined as 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	RBP Compliance
2. Part B: Explanatory Instructions – Workbook 1 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.	Operating expenditure is reported in line with the relevant 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 are not applicable and have not been populated.
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 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.	Operating expenditure is reported in line with the relevant access arrangement determination and is incurred to support the reference service. Therefore in line with the requirements the information is populated in the reference services boxes throughout the RIN. As a result, all non-reference services tables for operating expenditure are not applicable and have not been populated.
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	RBP has reported the categories and the total expenditure inclusive of any attributable (non-capitalised) corporate and network overhead operating expenditure.

reported for each operating expenditure category must be inclusive of any attributable (non-capitalised) corporate and network overhead operating expenditure.	
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.	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.
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	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 will be populated only in the reference services boxes throughout the RIN. As a result, all non-reference services tables for operating expenditure are not applicable and have not been populated. Therefore Table E1.2.1 reconciles to the Table E1.2.5.
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 operating expenditure must be allocated using an appropriate allocator, in accordance with Schedule 1, paragraph 2.3.	Refer to section 5.1.1 and the CAM.

4.2.1.4 Sources of information

Repairs and maintenance & other operating

The amounts for these tables were sourced from RBP'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 roll forward model. For the period, the debt raising costs have been determined using the average regulatory capital base. 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

RBP has followed the principles set out in the AER's 2017-22 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 (2017-22=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 RBP 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 RBP have been determined using the approach applied by the AER in its final PTRM for the relevant Access arrangement period applied to the average capital base for the year.

In the relevant access arrangement determinations, the AER has approved debt raising costs by applying the approved factor (2017-22=0.091%) to the debt-funded proportion of the forecast opening capital base for the regulatory year.

Consistent with the methodology utilised in the AER determination, RBP has applied this approach to the average value of the capital base reflecting actual capital expenditure over the relevant period 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 RBP have been determined using the approach applied by the AER in its final PTRM for the 2017-22 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 (2017-22=3.0%) to the amount of equity capital determined to be required to be raised.

In the 2017-22 access arrangement period, the AER determined that RBP would not need to raise equity capital to fund its capital expenditure program, and accordingly calculated a zero allowance for equity raising costs.

The AER's approach was applied to the 2017-22 Access arrangement period and found that the approach resulted in no equity capital required to be raised for that period. Consistent with the methodology utilised in the AER determinations, RBP has applied an amount of zero for equity raising costs for all year 2021.

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

All amounts represents actuals and includes no estimates.

Debt and equity raising

As RBP 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, RBP has considered debt and equity raising costs to be actual.

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

None

Debt and equity raising

The average capital base values used to determine the debt raising costs per cent are drawn from the reported opening capital base numbers in AER's 2017-22 Final decision Roll Forward models. For the 2021 year, the debt raising costs were determined using the average regulatory capital base which has been calculated consistent with RFM principles. No 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 RBP capex levels provide for equity raising costs to be calculated in the AER's PTRM and estimated for Annual RIN purposes.

4.2.2 *Table E1.2.2 – Table intentionally omitted by AER from their 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 service tables throughout the RIN. No operating expenditure was reported for "other services".

4.2.4 *Table E1.2.4 – Table intentionally omitted by AER from their 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 both the AER-approved 2017-22 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	RBP 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 arrangements. It should be noted that, under s3.2 the AER-approved 2017-22 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 were reported for the regulatory reporting period.
2. Part B: Explanatory Instructions – Workbook 1 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 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.	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 the reference services tables throughout the RIN. “Other services” tables for Capital contributions are not applicable and have not been populated.

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.	Total contribution expenditure in Table E1.3.5 ties in its entirety to the capital contribution line item in Table E1.1.5.
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.	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 not populated resulting in Table E1.3.1 reconciling in its entirety to the Table E1.3.5.

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, RBP has applied the definition of "directly attributable costs" from the Appendix F to this Annual Reporting RIN for the 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."

RBP 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 has 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	**RBP Compliance**
Capitalised overheads	
2. Part B: Explanatory Instructions – Workbook 1	RBP reported capitalised corporate overheads and capitalised network overheads as per the definition of directly attributable

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.	expenses in Appendix F to the RIN. As a result table E1.4.1, E1.4.3 and E1.4.5 are zero. 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 RBP's interpretation of the definition of directly attributable expenses. APA is complying with the RIN and as a result these lines are zero.
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.	RBP 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, E1.4.3 and E1.4.5 are empty. The capitalised overhead was added on the three capex expenditure purposes (Replacement, Expansion and non-network) in the table E1.1.3 as directly attributable expenses, in line with RBP's interpretation of the definition of directly attributable expenses.
2.1 (p) In table E1.4.5 for each regulatory year, the pipeline service provider must report the capitalised overhead expenditure 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.	RBP reported capitalised corporate overheads and capitalised network overheads as per the definition of directly 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 RBP is not applicable and that table has therefore not been populated. 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 RBP interpretation of the definition of directly attributable expenses.
(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.	Since tables E.1.4.1 is zero, and E1.4.3 is not applicable due to non-reference services, by default, E1.4.5 amounts to zero too.

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

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

RBP 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 has 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*

RBP 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 and Expansion and Non-network), RBP complied with the definition and have reported null in this table.

4.5 Total actual capital expenditure and total forecast capital 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.

RBP agreed with 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 – so any differences pre 2020-21 was not deemed “relevant” in the context of this requirement.

RBP identified the operation of RIN sections 1.5 and 1.6 – that RBP need only “identify” for those years where the relevant variance has been more than +/- 10%, and it is only for these years that explanations are required. RBP 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, RBP is unable to comment; as pipeline services are demand derived for the desire for natural gas and RBP does not have visibility of the causes of any increases or decreases in gas demand.

4.5.1 *Annual variations in actual total operating expenditure and AER allowance under the current access arrangement determination*

In 2017, the AER accepted the operating expenditure forecast proposed by RBP in the response to the draft determination. The operating expenditure forecast methodology adopted by RBP 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 RBP to operate efficiently. The ECM is designed to reveal efficient operating costs.

This approach means that as the forecast is prepared at a more aggregated level than the actuals, the information is not comparable to perform meaningful variation analysis. Total annual actual operating expenditure and the 2017 AER allowance is shown in the table 1 below. In order to facilitate the direct comparison we have adjusted the AER's forecast as contained in the PTRM for actual inflation incurred using a June on June inflation year.

Table 1 Annual variations in actual total operating expenditure and 2017 allowance ($nominal)

	Unit	2020-21
AER 2017 opex allowance	000s $nominal	15,135
RBP actual opex	000s $nominal	18,631
Variance	000s $nominal	(3,496)
Variance	%	(23.1)

As shown, RBP actual operating costs were above the 2017 allowance by 23%.

The methodology adopted by the AER means that the explanation for differences between the forecast is the difference between the actuals for that year and the inflation adjusted base year.

In 2019-20 RBP signed an agreement with SWQP for the provision of pipeline and compression services as a prudent and efficient means of maintaining supply to RBP customers. This agreement cost $2.3million in 2020-21 which explains the major difference (15%) between the forecast and the actuals in 2020-221.The remaining part of the difference is below 10% and needs no further explanation.

4.5.2 *Annual variations in actual total capital expenditure and 2017 AER allowance*

In the year 2020-21, actual capex was $3.4 million or 38% above the AER's annual forecast.

There were variations in the forecasts and actual expenditure for a number of projects. There were a number of projects that had not been anticipated at the time of the 2017 access arrangement revision.

The actual expenditure for 2020-21, compared to the 2017 allowance is shown in the table 2 below.

Table 2 Variations in actual total capital expenditure and 2017 AER allowance by year ($nominal)

	Unit	2020-21
AER 2017 capex allowance	000s $nominal	8,927
RBP actual capex	000s $nominal	12,309
Variance	000s $nominal	(3,382)
Variance	%	(37.9%)

There were a number of projects that were either not forecast or where the volume of activity was greater that the forecast amount, this includes activity aimed at maintaining the integrity of the RBP:

- Group IT +$1.1 million above forecasted amounts

Other differences related to changes in accounting treatment as a result in changes to accounting standards:

- Shared Corporate Leased assets +$0.4 million

The forecast for 2020-21 is prepared six years in advance at the time of the submission of the access arrangement proposal. This results in a number of projects that weren't forecast at the time of the proposal but subsequently proved prudent and efficient to undertake:

- RBP OnlineSim +$0.6 million
- Gas Day Harmonisation +$0.5 million
- Wallumbilla Reliability Upgrade +$0.3 million

The remaining variance of actual capital expenditure is within the 10% variance to the forecast.

The expected difference in the total access arrangement period is explained in the access arrangement proposal and responses to subsequent AER information requests.

5 Worksheet E11. Labour

5.1 Table E11.3 Labour / Non-labour expenditure split

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.

RBP 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 RBP.

The key cost allocation principles RBP 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 RBP operating and capital costs, the majority of RBP 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 RBP 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 Transmission business[1]. 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.

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[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.

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, RBP 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 RBP's share of revenue. Further information is provided in section 5.1.2.

Based on discussions with the AER and the RIN requirement, RBP 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 RBP has reported all its expenditure as directly attributable expenditure as required under this RIN, RBP has no expenditure:

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

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

In the RBP access arrangement, all costs are attributed to the Reference Service, and RBP 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 RBP 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 types of assets (for example, network costs to network assets, corporate service recharge costs to the management of APA's investments.)

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 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.

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

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 RBP 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 RBP does not directly employ its own workforce. Salaries and wages incurred are attributed and allocated to RBP in accordance with methods described in section 5.1.1. As a result, RBP has reported all Labour expenditure as "in-house labour" 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 as "multi-asset gas transportation agreements" or "multi-assets GTAs". 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 all the regulatory years being presented. 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.

In May 2018, RBP entered into an associate contract with APA (SWQP) Pty Ltd (advised to the AER on 11 May 2018) to provide pipeline and compression services to RBP until 2027. The undertaking does not have an anticompetitive effect (s147 National Gas Law) nor is it inconsistent with the competitive parity rule (s148 National Gas Law).

The terms and conditions for the use of compression are those contained in the APA standard gas transport agreement. The price set for use of compression under the contract is the standard price for long term firm and day ahead firm published on the APA website which is available to all shippers seeking the same service.

The cost recovery for the pipeline construction is an annual figure over the life of the pipeline calculated using the AER's Transmission Post Tax Revenue Model with the AER's inputs from the RBP final determination, other than those specifically outlined in the undertaking, as updated by the AER under the Roma Brisbane Pipeline access arrangement. The expense incurred for this service is included in RBP's operating expenditure. Although the associate contract was entered into in May 2018, services were not provided or incurred until 1 July 2019, therefore this transaction is reported in table F.6.1.1 of the Annual Performance Data Regulatory template.

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 by the AER from their 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: o full time, part time and casual employees; o ongoing and temporary employment contracts; and o labour hire contracts. 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).
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 temporary staff, and training costs including a component of labour overhead expenditure. As RBP 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 RBP Cost Allocation Methodology.

5.1.6.1 Compliance with requirement of notice

Compliance Requirement	RBP Compliance
Labour Operating expenditure	
2.2 Workbook 1 & 2 – Historical and 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.
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 Table E1.2.5.

5.1.6.2 Sources of information

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

5.1.6.3 Methodology and assumptions

For further information see section 5.1.3 of this basis of preparation. 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. RBP 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 year.

5.1.6.6 Reconciliation

Differences were noted in the operating expenditure compared to previously reported actual numbers. Refer section 3.2.1 in this basis of preparation for reconciliation to previously reported actual information.

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 RBP does not directly employ its own workforce. Salaries and wages incurred are attributed and allocated to RBP in accordance with methods described in section 5.1.1 and 5.1.5. As a result RBP has reported all Labour expenditure as "in-house labour" in Table E11.3.

5.1.7.1 Compliance with requirement of notice

Compliance Requirement	RBP Compliance
Labour Capex	
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: (i) in-house labour expenditure; (ii) labour expenditure outsourced to related parties; (iii) labour expenditure outsourced to unrelated parties; and (iv) non-labour expenditure.	Complied with in Table E11.3.2. The total capital expenditure has been reported into the relevant labour categories.

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.	Complied with as these amounts reconcile to table E1.1.5.

5.1.7.2 Sources of information

The actual amounts for these tables were sourced from RBP's Oracle financial system or business records for the regulatory period and represents actuals.

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. RBP incurred directly attributable labour costs from other APA entities during the reporting period.

5.1.7.5 Material accounting policy changes or changes of allocation.

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

5.1.7.6 Reconciliation

Please refer section 3.2.1 in this basis of preparation for reconciliation to previously reported actual information.

RBP has not previously been categorising the total capital expenditure in the reported labour categories. No other reconciliation differences noted.

6 Worksheet N1. Demand

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

Field devices at various locations on the RBP 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 RBP 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.

RBPs meter and customer allocation data is captured in EC since 1 December 2011. Daily customer allocation by location data sets have been extracted from EC 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	RBP Compliance
2. Part B: Explanatory Instructions - Workbook 1 & 2 2.3 Workbook 1 & 2 – Historical and Annual Performance Data, regulatory template N1. Demand instructions:	To populate this table RBP reviewed each delivery site on the pipeline and categorised the site based on RBP knowledge of the intended use of the gas when it leaves RBP. Sites with electricity generating equipment

(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.	connected to an electricity network have been classified Electricity Generation for this RIN. Table N.1.1 aggregates the annual totals from table N1.3.2 – Annual volume – by location for Oakey and Swanbank delivery points. Refer section 6.2.1.2
(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.	Refer section 6.2.4
(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.	Refer section 6.2.4
(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.	Refer section 6.2.4
(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.	Refer to section 6.3
(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.	Refer to section 6.2.6
(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.	Refer to section 6.2.6.1
(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.	RBP does not forecast volumes at injection points. Refer to section 6.2.6.2

(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.	Refer to section 6.4

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.

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”)..

6.2.1.3 Methodology and assumptions

RBP shippers transport gas to a number of locations for a variety of purposes. To populate this table RBP reviewed each delivery site on the pipeline and categorised the site based on RBP’s knowledge of the intended gas use once it leaves the RBP. 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 selling electricity into the wholesale market; 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 Oakey and Swanbank PS Delivery Streams.

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

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

Differences may arise based on the information RBP 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 RBP is "Firm Reference Service". There are no reference service contracts on the RBP 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*

RBP sourced the information from EC, 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

RBP has reported the annual volume for each Financial Year for each location in table N.1.3.2.

RBP has sourced the information from EC which was extracted into an excel format.

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

RBP has never forecasted volumes of gas at its withdrawal points. This RIN requirement is not applicable and the table is not populated.

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*

RBP sourced the information from EC with a determination of the peak volume by location. The information was extracted into an excel format to facilitate extraction of the Minimum, Average and Maximum at any given day of the year.

- 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.

Financial Years 2012-13 to 2019-20 is based on data from EC.

6.2.6.1 Table N1.4.2 – Annual volume – by location

RBP has sourced the information from EC. All daily quantities were aggregated to reflect the annual volume for each Financial Year for each location in table N.1.4.2

2020-21 is based on data from EC summarised for the annual total volume by location.

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

RBP 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 1 & 2

2.3 Workbook 1 & 2 – Historical and 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 actual demand (gas deliveries) data for the Roma Brisbane Gas Pipeline.

RBP does not forecast volumes of gas at withdrawal points so the RIN requirement is therefore not applicable.

6.4 Response to: 2.Part B: Explanatory Instructions–Workbook 1 & 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.

RBP 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

The RBP was commissioned in its original configuration in 1969. It now consists of a mainline, which is both compressed and looped, and four lateral pipelines; Peat and Scotia laterals, connecting it to coal seam methane gas sources near Peat and Scotia, Swanbank Lateral, feeding into Swanbank Power Station and Lytton Lateral, supplying the refinery in Lytton. The mainline is approximately 440 km long with 46 km of its length running through Brisbane to Gibson Island.

The original 400 km section from Wallumbilla to Bellbird Park is 273 mm in diameter (DN250). This section is looped with a 406 mm diameter pipeline (DN400). The looping was carried out in several stages, between 1988 and 2002, after the original line had been fully compressed with six compressor stations. Once the DN400 loopline was constructed, three of those compressors were moved to the loopline.

The Swanbank lateral was completed in 2001 and is 8 km long with a current capacity 52TJ/day. The Peat lateral was completed in the same year (the Scotia extension was completed in 2003) and is 121 km long with a current nominal capacity of 38 TJ/day. The Peat lateral became part of the covered pipeline on 1 January 2006 after APTPPL elected for it to be covered. The 6km Lytton lateral was completed in 2010.

The pipeline originally supplied the Brisbane area with gas from Surat Basin fields close to Roma. In 2001 and 2002 the RBP was extended via the Peat Lateral to enable Coal Seam Methane (CSM) from the Peat and Scotia gas fields to be supplied into south-east Queensland.

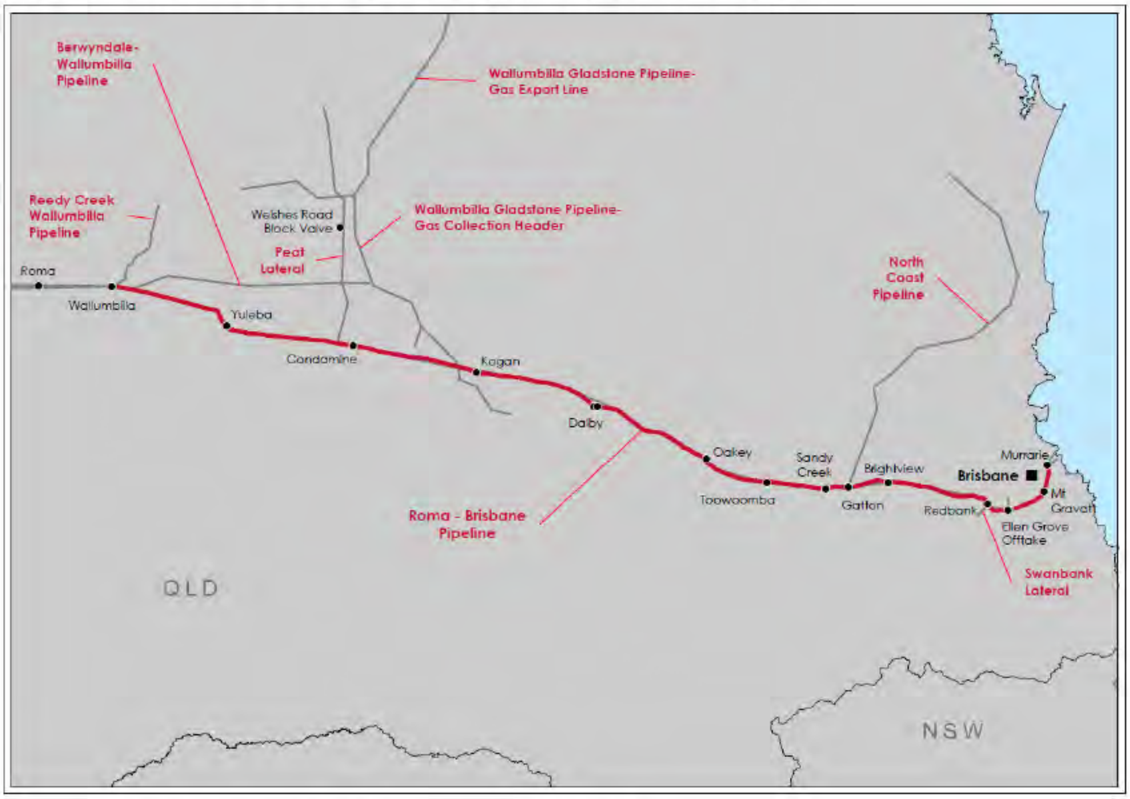
In 2012, the three DN400 compressors were replaced with a single large compressor at Dalby and also works were carried out to increase the maximum operating pressure on the DN400 between Wallumbilla and Dalby, increasing the RBP capacity to 233 TJ/d. Today, apart from the Dalby compressor on the DN400, two of the remaining compressors on the DN250 are still in operation at Kogan and Oakey.

The RBP currently receives gas from numerous receipt points and delivers gas to numerous delivery points. Additional receipt and delivery points have been added from time to time.

In 2015, the RBP became bidirectional - APTPPL secured an amendment to the pipeline license and completed works to allow westbound gas flows on the RBP, in the direction from Brisbane or Peat to Wallumbilla. These works included pipe work to connect the RBP to the Wallumbilla Hub, and metering equipment to enable the flow of gas to be measured in either direction.

The geographic location and route of the RBP are shown in Figure 1.

Figure 1 — Roma Brisbane Pipeline: geographic location and route



The principal sections of the RBP are listed in Table 1.

Table 1 — Roma Brisbane Pipeline: principal sections

Section	Length (km)	Diameter (mm)
Wallumbilla to Ellengrove	406	406
Wallumbilla to Bellbird Park	397	273
Ellengrove/ Bellbird Park to Gibson Island (Metro Section)	46	324
Peat Lateral (including Scotia)	121	273
Lytton Lateral	6	273
Swanbank Lateral	8	406

On the Roma Brisbane 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

7.2 Compliance with requirements

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

The length reflects the regulatory asset, including laterals. The data is sourced from RBP business records.

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

Network capacity is modelled using pipeline modelling software (called Synergi Gas by DNV GL). The results of this modelling are utilised for updating the Bulletin Board Nameplate Rating. The Nameplate Rating is filed with AEMO annually.

The westbound nameplate capacity to Wallumbilla is declared as 125 TJ/d with the eastbound capacity declared at 211 TJ/d.

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

The average utilisation values in Table N2.3 have been calculated by average daily net allocation values expressed as a percentage of network capacity from Table N2.2 in each 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 in each 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, RBP 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. On this basis, the RBP had two electricity generation users in each financial year.

8.1.2 *Compliance with requirements*

Compliance Requirement	RBP Compliance
2.5 Part B: Explanatory Instructions - Workbook 1 & 2 Historical and Annual Performance Data, regulatory Template S.1 User numbers. 2.5 (a) For each regulatory year, the pipeline service provider must report in table S1.1: (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 (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.	Refer row 13 in the table S1.1. RBP defines new user connections as the new users added on during the year and does not reflect the accumulated total user connections for the year. No disconnections occurred during any of the years.
2.5 (b) The users on the last day of each regulatory year in table S1.1 is the total of: (i) the users on the first day of each regulatory year; (ii) plus (+) the total new users; and (iii) less (-) the total user abandonments	Refer to table S1.1 for the total of users.
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.

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

There is one customer on the RBP that use firm reference service for the financial year.

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. RBP interpretation of 'normal range' – being the pressure specified in contracts with shippers – is suitable for these purposes.

Based on discussions with the AER, RBP has interpreted the definitions of "poor pressure event" and "normal range" to include pressure events where RBP failed to meet its contractual pressures to customers on the Roma Brisbane 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. RBP will report poor pressure events caused by shippers failing to inject or over-drawing as Force Majeure events (Row 16). RBP will report "Non-Force Majeure" pressure events (Row 17) as those that were a result of the Roma Brisbane Gas Pipeline asset not meeting its contractual obligations to customers.

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

In table S10.1 (row 12) RBP reported zero events for the year in this category.

The poor pressure events reportable in this line item would be likely to be a Non force majeure event in the lower table on row 17 as they would most likely get resolved within 12 hours or less.

9.1.1.2 Poor Pressure events >12hours – Force Majeure

These reportable events would be the poor pressure events of larger magnitude which would take longer than 12 hours to be resolved and are often claimed as Force majeure events.

Zero poor pressure events were reportable as Force Majeure for the regulatory year.

Compliance Requirement	RBP Compliance
2.6 Part B: Explanatory Instructions - Workbook 1 & 2 Historical and Annual Performance Data, regulatory Template S10 Supply Quality: (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	See section 9.1.1.2 – no poor pressure events reported for any of the regulatory periods.
(ii) the poor pressure events which do not relate to force majeure events.	See heading 9.1.1.1 - no poor pressure events reported for the regulatory period.

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.	Nil in this period as reported on line 13 in table S10.1.

10 Worksheet S14. Network integrity

10.1 Table S14. Network integrity

10.1.1 *Table S14.1 Loss of containment*

10.1.1.1 Table S14.1 Row 11 & 12 number of leaks - publicly reported and reported through survey and Table S14.1 Row 13 repaired leaks

All leaks reported historically for RBP has been found through survey although RBP had no reported leaks through survey in the current year.

RBP had no publicly reported leaks in the reported period.

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

RBP Length of Network subject to survey definition:

“survey” is not a meaningful term for gas transmission pipelines. RBP has determined 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.

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.

- “**subject to**” means that the activity was undertaken for the relevant year

Except as described more fully below, the distance reported in kilometres reflect the number of kilometre 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, RBP has reported that one kilometre of pipeline being subject to inspection.

In interpreting this information, it is important to be cognisant of the looped nature of the pipeline – as discussed below, some measures will be reported over “route kilometres” whereas others will be reported over “pipeline kilometres”. The distance reported in kilometres reflect the number of *route kilometres* subject to cathodic protection survey, and the number of *pipeline kilometres* where pigging, Direct Current Voltage Gradient (“DCVG”) testing and dig-ups, visual inspection and coating inspections have been undertaken.

To detect integrity issues that can lead to leaks, RBP 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.

The RBP400 and RBP250 mainline loops share a common easement and a common Cathodic Protection (CP) System (until mid-2020). Therefore patrols and CP surveys on these assets (see Table 2) have a common *route* and can be completed in a single pass. DCVG surveys and in-line inspections, however, cannot be conducted on both assets in a single pass. Had both loops of the RBP been fully surveyed in a single year, the "length of network subject to survey" would have been 804km despite the route being only approx. 400km long.

Table 2: Survey Types, frequency and purpose

Type of Survey	**Frequency**	**Purpose**	**Reported**
Vehicle Patrol	Daily	High consequence areas only: Prevent damage to pipeline by third parties (predominantly civil works).	N
Vehicle Patrol	Fortnightly	Prevent damage to pipeline by third parties (predominantly civil works). Monitor for washouts (e.g. soil cover removed by flooding river). Check for damage to compounds or pipeline marker signs.	N
Aerial Patrol	Fortnightly		N
CP survey	Annual	Measure the level of Cathodic protection as all CP test posts Monitor functionality and condition of power units and anode bed installations	N
DCVG survey	Ad hoc	Identify coating defects.	Y
In-line Inspection	3-10 years	Identify and locate manufacturing and construction defects, corrosion, cracking, mechanical and/or environmental (e.g. strain) damage to the pipeline	Y
*CP = Cathodic Protection			

For the 2021 regulatory year no ILI inspections of DCVG surveys were carried out on the RBP pipeline. Hence reportable kilometres equal 0.

10.1.2 *Table S14.2 – Instances of damage*

10.1.2.1 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.

10.1.3 *Table S14.2 – Instances of damage row 21*

The RBP250, built in 1969, was coated with a single (spiral) layer of tape. After 50 years of service, the tape is in poor condition. Coating breakdown is followed by corrosion (common) or cracking (rare).

A prudent operator must act conservatively on indications from surveys (usually intelligent pigging). A "conservative response" implies that the operator acts before damage becomes a threat to safety or service. Inclusion of margins for uncertainty is mandated by the standard (AS2885.3 S9.7). As a result "damage", although real, rarely adversely affects the operation of the pipeline.

The responses in section S14 of the Annual Performance Data workbook counts only those instances where an on-site engineering assessment of the damage resulted in a replacement of coating or a structural repair. Because of the conservative approach employed in selecting digup locations, the number of structural repairs to the pipeline is significantly lower than the number of coating repairs (see Table below).

Year	Totals	Coating repair	Structural Repairs
FY2011	10	8	2
FY2012	9	3	6
FY2013	24	7	17
FY2014	7	2	5
FY2015	59	31	28
FY2016	92	80	12
FY2017	107	81	26
FY2018	0	0	0
FY2019	31	19	12
FY2020	57	49	8
FY2021	84	80	4
Totals	**476**	**356**	**120**
%age	**100%**	**75%**	**25%**

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.

All mechanical repairs were made without impacting the flowing conditions of the asset and therefore did not adversely affect the operation of the gas transmission pipeline.

Compliance Requirement	RBP Compliance
2.7 Part B: Explanatory Instructions - Workbook 1 & 2 Historical and 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 10.1.1.2

(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.	RBP has reported the number of damage incidents in accordance with Regulatory template headings. RBP 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 9th June 2020.

11 Worksheet F1. Income

11.1 Table F1. Income

The RBP 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 RBP ARIN reporting unless otherwise specified. Mainly:

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

APA has allocated to RBP for these reporting purposes shared corporate expenditure based on a revenue allocation method and shared assets based on the allocation of shared corporate expenditure. 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 Petroleum Pipelines Pty Ltd, the RBP service provider in accordance with the definition above. This trial balance is made up of two reporting business segments. One business segment which records the activities of the covered pipeline and another business segment which records third party activities which does not form part of the regulated asset and is not within the scope of this RIN. The historical and 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.

For the annual RIN year 2020-21 the service provider has had its statutory trial balance audited. The table in this annual RIN represents actuals as the 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 earnt by the pipeline service provider from the provision of reference services and other services provided as a covered pipeline. This excludes capital contributions.

- Capital contributions is deemed revenue in the year received as per the approved mechanism in the last access arrangement determination (the 2017-22 access arrangement). . No Capital contributions has been received in the regulatory period.
- Profit from sale of fixed assets represents the accounting standards defined profit from sale of assets.
- Other revenues consists of deferred revenue amortisation from non-transmission contracts and third party works.

11.1.1.2 Compliance with requirements

Compliance Requirement	RBP Compliance
2. Part B: Explanatory Instructions - Workbook 1 2.8 Workbook 1 & 2 – Historical and 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 RBP to report financial transactions starting from audited statutory accounts less adjustment to derive regulatory accounts for the transmission pipeline service provider. Prior to the RIN requirement, RBP was not required to audit its statutory financial accounts. AER had agreed to remove assurance requirements for an audited statutory trial balance until the 2019 regulatory year. The worksheet F1 had no audit or review assurance on table F1.1 and F1.2 initially. F1.4 is greyed cells and therefore does not require any assurance. Since the 2019-20 regulatory year this worksheet has been subject to audit. 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 until 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 is reported as incurred in the trial balance of the underlying service provider in accordance with RBP applied regulatory accounting policies and principles on a consistent basis.

Depreciation expense is generated from the fixed asset register in line with the accounting standards and depreciated based on the RBP 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 capital at the corporate level; accordingly, the RBP statutory trial balance records no amounts for interest costs or debt raising costs.

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 RBP 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**

None noted in the period.

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 represent 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 service provider was not required to prepare audited statutory trial balances for the historical years 2011-2019. Beginning in 2020 reported adjustments are subject to audit. .

The amounts reported by the service provider in this table are deemed as actuals as the audited statutory trial balances were 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 (2017-22 access arrangement). No capital contribution have been received in the regulatory period.
- 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 are no longer recorded directly in the statutory ledger (see section 5.1.2);
  - operating expenditure adjustment to exclude the operating expenditure relating to the third party activities; and
  - other regulatory adjustments 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 RBP has been determined by applying the AER's approved Nominal Pre-tax Return on Debt to the debt-funded proportion of the 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 for RBP which is updated annually.

Debt raising costs applicable to RBP have been determined by applying an approved factor to the debt-funded proportion of the average 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 the only 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.

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 RBP prepare in compliance with section 141 of NGL.

RBP deem these amounts to be actuals.

11.1.7.1 Reconciliation

No reconciliation differences to previously reported amounts.

12 Worksheet F2. Capital expenditure

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

12.1 Table F.2 Capital expenditure by asset class

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.

RBP's ten categories of capital expenditure as defined in the last access arrangement determination has 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 by AER from their template*

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

In table F2.4.2 for the regulatory 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.

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

Tab F2.4.2 ties in with the E.1.1.1 – reference services as both tables require the "as incurred" numbers to be reported.

In the 2019 Historical ARIN and the 2020 Annual RIN, as lodged in December 2020, APA incorrectly reported a total of $921,736 as capital expenditure. As these Annual RIN templates only present the current year information, APA has corrected this error by recording offsetting negative capital expenditure of $921,736 in the 2021 Annual RIN. This has been corrected in the following 2021 tables, *E1.1.1 – Capex Reference Services, F2.4.2 Actual – As Incurred, F2.4.4 Actual – As Commissioned and F10.1 Capital Base Values.*

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

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

Capital expenditure funded by capital contributions has not 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 the regulatory year. Capital expenditure funded by capital contributions has not been included.

The information for the year has been sourced from the net "as-commissioned" capital expenditure reports from Oracle.

As the capital expenditure “as-commissioned” amounts reported in the Roll Forward Model were set to equal the capital expenditure “as-incurred” amounts, also reported in the same Roll Forward Model, the information previously provided will not reconcile. Refer section 3.2.1 for further information.

In the 2019 Historical ARIN and the 2020 Annual RIN, as lodged in December 2020, APA incorrectly reported a total of $921,736 as capital expenditure. As these Annual RIN templates only present the current year information, APA has corrected this error by recording offsetting negative capital expenditure of $921,736 in the 2021 Annual RIN. This has been corrected in the following 2021 tables, E1.1.1 – Capex Reference Services, F2.4.2 Actual – As Incurred, F2.4.4 Actual – As Commissioned and F10.1 Capital Base Values.

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

RBP reported no provisions for the regulatory reporting periods impacting capex. Therefore the requirement is not applicable.

Capital expenditure funded by capital contributions has not been included.

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

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

RBP must report the as-incurred capital expenditure funded by capital contributions by asset class.

No capital contribution was received in the year.

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

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

No capital contribution was received in the year.

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 has 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	RBP Compliance
Immediately expensing of capex	
Schedule 1 7. IMMEDIATE EXPENSING OF CAPEX FOR TAX PURPOSES 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.	RBP is part of APA's tax consolidated Group and the standalone RBP entity does not lodge its own tax return. RBP is not the Head entity of the tax consolidated group. RBP has claimed immediately deductible expenses as part of the APA consolidated tax return in accordance with the "as-incurred" records for the regulatory year. The capital expenditure immediately expensed for tax purposes is claimed in the year the capital expenditure is incurred. No resubmission of any tax information has occurred in the reporting period.
Schedule 1 7. Immediate expensing of capital expenditure 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.	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.
2.9 Workbook 1 & 2 – Historical and Annual Performance Data, regulatory template F2. Capex instructions: 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".	It is important to note that the pipeline service provider has not forecasted immediate expense capital expenditure for 2020-21 so no comparison can be made to the actual immediate expensing capital expenditure for the year reported in table F2.7. Claims on immediately deductible items do not include claims on any capital contributions. To date RBP has not changed the tax policy. RBP will review the policy annually and advise the AER of any material changes.
2.9 Workbook 1 & 2 – Historical and 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.	Specifically, for income tax purposes expenditure incurred by RBP that: • Is solely used for the purpose of producing assessable income; • has the character of being a 'repair' and

	• is not capital in nature; should be immediately deductible under section 25-10 of Income Tax Assessment Act 1997. 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…" Minor improvements, additions or alterations to property may still constitute repairs. However, substantial improvements, "initial repairs", modernisations, reconstructions, additions or alterations are not deductible under section 25-10. Pigging, sleeving, coating and systematic pipeline integrity projects as well as pipeline stress corrosion cracking ("SCC") related programs undertaken by RBP are considered 'repairs' for tax purposes. Costs incurred as a supporting, indirect activity related to construction of an asset will be immediately deductible.
2.9 Workbook 1 & 2 – Historical and 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.	RBP does not forecast any of its immediate expensing of capex in this current access arrangement. This information has not previously been submitted. Therefore RBP deems this requirement to be not applicable. Based on the AER 2018 tax review, future capital expenditure will follow AER guidelines and reflect diminishing value depreciation for tax purposes for specific asset classes and immediate expensing where appropriate.

12.1.13.1 Sources of information

The reported figures in these tables were sourced from RBP's Oracle system or business records (applicable tax return records) for the regulatory reporting period.

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 changes.

12.1.13.5 Reconciliation

In the 2019 Historical ARIN and the 2020 Annual RIN, as lodged in December 2020, APA incorrectly reported a total of $921,736 as capital expenditure. As these Annual RIN templates only present the current year information, APA has corrected this error by recording offsetting negative capital expenditure of $921,736 in the 2021 Annual RIN. This has been corrected in the following 2021 tables, *E1.1.1 – Capex Reference Services, F2.4.2 Actual – As Incurred, 2.4.4 Actual – As Commissioned and F10.1 Capital Base Values.*

Immediately deductible amounts have not previously been reported to the AER. Capital expenditure for the upcoming access arrangement period 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.

Different revenue standards were applicable during the regulatory reporting period. RBP 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*

RBP had one customer that contracted reference services during the period. This table reflects the revenue received by RBP for provision of the reference service to this customer.

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

13.1.3 *Table F3.3 – Rebateable Services*

RBP 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. Park and loan services (provided on either a firm or interruptible basis), in-pipe trading services, and capacity trading services all became rebateable services on 1 January 2018, the commencement of the 2017-22 Access Arrangement.[2]

Rebateable services has been reported since 1 January 2018. The first reportable period only had 6 months' worth of services. These services are based on a calendar year. For 2020-21 the information has been prepared on a fiscal year basis.

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[2] See AER, Final Decision - Roma to Brisbane Gas Pipeline Access Arrangement 2017-22, Attachment 1 – Services covered by the access arrangement, November 2017.

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

13.1.5 *Table F3.5 – Total Revenue*

Total revenue is a grey cell sum which automatically summarises revenue from tables F3.1, F.3.3 & F3.7 with formulas. No assurance is given on grey cells. RBP 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*

RBP must report the revenue earnt 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.

As an Efficiency Benefit Sharing Scheme ("EBSS") was included in the 2017-22 access arrangement, amounts may be reported under this category over the course of the 2022-27 access arrangement period.

This table has therefore not been populated as it is not applicable.

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

The RBP provided a number of non-reference services to customers during the period. Revenue earned from these services has been reflected in this table.

13.1.7.1 Revenue allocation to service types – RBP

Revenue has been mapped to RBP transport and storage services for the reporting period through identification of the transport and storage service types that have been offered on the pipeline during the reporting period. RBP transport and storage 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 RBP service type, the historical and annual 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 RBP transport and storage service type in historical years. 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 RBP transport and storage service type the revenue best aligns with.

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.

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 regulation[3]) 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.

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*

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

All amounts are deemed actuals.

13.1.9 *Methodology and assumptions*

Consistent application of methodology during the regulatory year.

13.1.10 *Use of estimated information*

None

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[3] 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.

13.1.11 *Material accounting policy changes or changes of allocation*

None in the period.

13.1.12 *Reconciliation*

RBP has reported forecast revenue but never actual revenue under the access arrangements. Refer section 3.2.1 in this basis of preparation for reconciliation to previously reported actual information.

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 is 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 by various categories. The annual RIN has eight operating expenditure categories (repairs and maintenance expenditure, labour expenditure, insurance expenditure, license and regulatory expenditure, fixedleasing and rental expenditure, equity raising cost plus the other operating expenditure and debt raising cost).

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.

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

This table represents the total operating expenditure for the service provider split by the various categories as mentioned above. 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 actual.

14.1.4 *Table F4.1.2 – Adjustments*

The RIN requires RBP 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;
2. 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. Adjustments in the period representing 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 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 RBP 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 by various categories as noted in section 14.1.2. The totals reconcile 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 the table E1.2.1 and E1.2.5.

In table F4.1.3 for 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 excludes 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*

RBP 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 were noted to previously reported information.

15 Worksheet F6. Related party transactions

RBP 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 Roma Brisbane 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 Petroleum Pipelines Pty Limited, the Roma Brisbane Gas Pipeline service provider. No margins, management fees or incentive payments are applied to costs allocated within the group.

APT Petroleum Pipelines Pty Limited is not an employing entity and has never been. Accordingly, all costs attributable to RBP are incurred by another APA Group entity.

Through discussions with the AER to clarify the requirements of the RIN, RBP has agreed with the AER that costs incurred by APA Group entities and allocated to APT Petroleum Pipelines Pty Limited will not be considered to be related party transactions. In May 2018, RBP entered into an associate contract with APA (SWQP) Pty Ltd (advised to the AER on 11 May 2018) to provide pipeline and compression services to RBP until 2027. The undertaking does not have an anticompetitive effect (s147 National Gas Law) nor is it inconsistent with the competitive parity rule (s148 National Gas Law).

The terms and conditions for the use of compression are those contained in the APA standard gas transport agreement. The price set for use of compression under the contract is the standard price for long term firm and day ahead firm published on the APA website which is available to all shippers seeking the same service.

The cost recovery for the pipeline construction is an annual figure over the life of the pipeline calculated using the AER’s Transmission Post Tax Revenue Model with the AER’s inputs from the RBP final determination, other than those specifically outlined in the undertaking, as updated by the AER under the Roma Brisbane Pipeline access arrangement. The expense incurred for this service is included in RBP’s operating expenditure. This transaction is reported in table F.6.1.1 of the Annual Performance Data Regulatory template as the amounts are above the reporting threshold of $1,000,000.

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. RBP has one provision in its statutory trial balance relating to its restoration provision.

As mentioned above RBP 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 1 & 2 – Historical and 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 2017-22 access arrangement includes a pass through provision to accommodate unforeseen circumstances (positive or negative) in the access arrangement period. Generally, the pass through provisions are subject to a materiality threshold such that small variations do not qualify for pass through treatment. There has been no passthrough in the reporting year.

18 Worksheet F10. Assets

18.1.1 *Compliance with requirements*

The RBP RIN instructions for Schedule F10 require:

Compliance Requirement	RBP Compliance
2.15 *Workbook 1& 2 – Historical and Annual Performance Data*, *regulatory template* F10. Assets (Capital Base) instructions:	
(a) The *pipeline service provider* must reconcile the information included in table F10.1 (*capital base* values as-incurred) to:	
(i) any decision that the *AER* has made in relation to *capital base* values unless that decision incorporates forecasts (for example, additions for the last year of the previous *access arrangement period*) in which case those forecast values should be replaced with actual values where possible. Actual values must be reconciled to amounts reported for *as-incurred capital expenditure* in *regulatory template* F2. Capex; and	Tables F10.1 tie to table F2.4.2 Capex tables for "As Incurred" post adjustments. See "reconciliation" below on incorrect inclusion of capex for 2019 and 2020.
(ii) for years where the *AER* has not made a decision on values for the *capital base*, *capital base* values must be prepared in accordance with the instructions provided by this *notice*. In this circumstance actual additions (recognised in the *capital base*) and *disposals* must reconcile to amounts reported for *as-incurred capital expenditure* in *regulatory template* F2. Capex.	Capex in Schedule F10.1 agrees to that reported in Schedule F2.4.2.
(b) The *pipeline service provider* must reconcile the information included in table F10.2 (*capital base* values as-commissioned) to: (i) any decision that the *AER* has made in relation to *capital base* values unless that decision incorporates forecasts (for example, additions for the last year of the previous *access arrangement period*) in which case those forecast values should be replaced with actual values where possible. Actual values must be reconciled to amounts reported for *as-commissioned capital expenditure* in *regulatory template* F2. Capex.	Table F10.2 agree to the amounts reported in table F2.4.4 As Commissioned post adjustments. See "reconciliation" below on incorrect inclusion of capex for 2019 and 2020.
(ii) for years where the *AER* has not made a decision on values for the *capital base*, *capital base* values must be prepared in accordance with the instructions provided by this *notice*. In this circumstance actual additions (recognised in the	Capex in Schedule F10.2 agrees to that reported in Schedule F.2.4.4. See "reconciliation" below on incorrect inclusion of capex for 2019 and 2020.

capital base) and *disposals* must reconcile to amounts reported for *as-commissioned capital expenditure* in *regulatory template* F2. Capex.	

18.1.2 *Sources of information*

The 2016-17 opening value of the regulatory capital base (reported in the Historical RIN) is drawn directly from the AER-approved roll forward model issued with its 2017 final determination. The opening value for subsequent years 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 March-on-March movement in CPI (weighted average of eight capital cites) 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 November 2017 final determination revenue model. Consistent with the AER's 2017 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 with the exception of the adjustment for 2019 and 2020 as discussed in the section 18.1.6.

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 RBP 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, RBP has presumed from the schedule titles that Schedule F10.1 is intended to report the roll forward of the regulatory capital base "as-incurred". RBP 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). See below for a discussion of incorrectly included capex.

18.1.4 *Use of estimated information*

All information used in the preparation of Schedules F10.1 and F10.2 are actuals drawn from RBPs 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.

In the 2019 Historical ARIN and the 2020 Annual RIN, as lodged in December 2020, APA incorrectly reported a total of $921,736 as capital expenditure. As these Annual RIN templates only present the current year information, APA has corrected this error by recording offsetting negative capital expenditure of $921,736 in the 2021 Annual RIN. This has been corrected in the table *F10.1 Capital Base Values*.

Schedules F10.1 and F10.2 calculate regulatory asset value and agree to the roll forward model.