



## Roma (Wallumbilla) to Brisbane Pipeline

Proposed Access Arrangement 2022 to 2027

SHELL AUSTRALIA RESPONSE

August 2021

Shell Australia (Shell) welcomes the opportunity to respond to the Roma (Wallumbilla) to Brisbane Pipeline (RBP) Access Arrangement proposal (the Proposal) submitted by APT Australian Petroleum Pipeline Limited (APTPPL) for the period July 2022 to June 2027. We have direct commercial interests in the outcome as Shell is an RBP shipper via various entities. Our views also take into account the Australian Energy Regulator's (AER) requirement to consider the National Gas Objective (and broader competition legislation) prior to approving the proposal. In this regard, our key concerns relate to (i) [REDACTED] and (ii) the structure and formulation of the western haul tariff. Each of these issues will be addressed in turn.

This submission contains confidential information as indicated by the redacted text below.

[REDACTED]

[REDACTED]

### Western Haul Tariffs

We are pleased that APTPPL is proposing to introduce a separate western haul reference tariff on the RBP, given there are different factors driving western and eastern haul pricing (e.g., demand). It makes sense to have a reference tariff applied to this service particularly as western haul flows are likely to become much more important to the RBP into the future. However, we note the proposed tariff for this service is expected to fall in Year 1 (2022/23) of the 5-year period and then progressively increase at a higher rate. While it is not clear the drivers behind this change, reducing western haul demand forecasts across the period appear to be contributing to this increase.

[REDACTED]

There would be benefit in making available the modelling and underlying assumptions to stakeholders to understand this issue further and provide commentary around why APTPPL believes there will be subsequent declines in western haul usage.

Enquiries:

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[REDACTED]

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<sup>1</sup> We note the economic regulation of pipelines in Australia is subject to proposed reform package and the "coverage" test will be removed if and when implemented.