

APT Petroleum Pipelines Pty Limited
L19, 580 George Street
SYDNEY NSW 2000
ABN 39 009 737 393



Tax Invoice

Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

Invoice No: 151739
Reference: RBP STTM FY15
Account No: 16035
Invoice Date: 15-JUL-16

Attention: Jack Fitcher

Payment Date: 14-AUG-16
Payment Terms: 30 Days Net

Description	Net	Tax	Total
APA RBP MOS Costs STTM from 1 July 2015 to 30 June 2016	86,905.00	8,690.50	95,595.50

	Subtotal: \$86,905.00 Total GST Amount: \$8,690.50 Total Amount Payable: \$95,595.50
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EFT:

Payee: APT Pipelines Ltd
Bank: CBA
BSB: 064-000
Account: 10623036
Ref: 151739

Remittance to:
APT Petroleum Pipelines Pty Limited
PO Box 6014 Halifax St
Adelaide SA 5000

Contact: Accounts Receivable
Phone: (08) 8113 9004
Fax: (08) 8113 9001
Email: transmissionbilling@apa.com.au



18 July 2016

Mr Jack Fitcher
Chief Financial Officer
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

BY EMAIL

Dear Jack,

FY16 STTM MOS Costs Claim for Roma to Brisbane Pipeline

With reference to the National Gas Rules (NGR) Part 20, Division 7, Subdivision 3, Rule 424 (4), APA Group (APA) hereby submits its invoice for MOS Allocation Service costs incurred during the 2016 financial year for the Roma to Brisbane Pipeline (RBP).

In summary the total of this claim is **\$86,905** plus GST against our previously advised estimate of \$76,994.

APA's claim has been prepared on the same basis as its previous claims adopting an identical allocation key and proportional allocation of costs. APA believes that this amount satisfies the requirements for recoverability under Rule 424 of the NGR.

Please do not hesitate to contact me on 07 3323 6023 should you require any clarification or further information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Jamieson', with a long horizontal flourish extending to the right.

John Jamieson
Manager Products & Services

APA Group – FY16 Costs for MOS Allocation Services - RBP

	INFORMATION REQUIRED BY AEMO	APA RESPONSE	
(a)	The number of STTM pipelines operated by that STTM pipeline operator;	APA Group operates 2 STTM pipelines (RBP & MSP) however these pipelines are owned by two separate entities that both form part of the APA Group.	
(b)	The number of STTM shippers and MOS providers on each STTM pipeline	RBP - 10 STTM Shippers of which 6 are MOS providers as at 30 June 2016, however all 10 are eligible MOS providers MSP – 6 STTM Shippers of which 3 are MOS providers as at 30 June 2016	
(c)	Breakdown of Costs:	Estimate (provided Jan 15)	MOS Cost Claim
	IT System Operation & Maintenance	\$22,923	\$26,700
	Labour	\$50,499	\$55,836
	Other Costs	\$ 369	\$ 1,479
	Interest	\$ 3,204	\$ 2,890
	Total APA RBP MOS Recovery	<u>\$76,994</u>	\$86,905
			Refer confidential attachment for further detail
(d)	Allocation Agent Costs:	Not Applicable	

APA Group – FY16 MOS Costs Claim - Explanatory Notes – RBP

Claim Components

APA Group's FY 16 MOS cost claim for the RBP is made up of 4 key components;

- **IT System Operation & Maintenance Costs** – Costs include proportion of external service provider annual maintenance charges as well as proportion of internal APA IT support staff dedicated to maintaining APA Grid systems.
- **Labour** – daily labour costs to process and verify STTM data, proportioned between MOS and non-MOS STTM activities. Costs include provision of 7 day week staff to monitor system processing, create manual backup files and verify STTM data before sending to AEMO. Internal escalation processes are in place to deal with any identified data abnormalities. Labour costs also include management time to review and maintain STTM related processes and backup systems, attend and review STTM CF information, monitor and audit daily processes and provide internal training.
- **Other Costs** – costs attributable to RBP STTM activities including travel, engineering and other miscellaneous charges, portioned between MOS and non-MOS STTM activities.
- **Interest Costs** – Interest costs have been calculated using cumulative monthly spend from when costs were incurred using an average post tax cost of debt for approved final Access Arrangement decisions that were made for both gas and electricity businesses over the same time period compounded monthly.

APA is unable to specifically track MOS and non-MOS costs given the complexity of reporting requirements and the impractical obligations that would have been placed on project members to do so. APA has used an allocation methodology to separate STTM costs into MOS and non-MOS components. The allocation of STTM costs between MOS and non-MOS has been estimated based on the approximate ratio of STTM reporting obligations that was established during the FY11 & FY12 STTM MOS costs processes with 45% of attributable STTM costs being allocated to MOS.