

# Tasmanian Gas Pipeline Pty Ltd Financial Information Publication

31 October 2018



Disclaimer: The figures and information published by Tasmanian Gas Pipeline Pty Ltd (TGP) are submitted in strict accordance with those requirements in the AER Financial Reporting Guidelines for Non-scheme Pipelines December 2017. These figures and information do not necessarily reflect TGP's approach and position on the appropriate pricing, charging method and asset valuation methodology that applies to the Tasmanian Gas Pipeline and its pipeline services



# 1. Introduction

## 1.1 Purpose

Under Part 23 of the National Gas Rules, Service Providers for non-scheme pipelines are required to publish specific information including financial information and weighted price information.

The provision of this information is intended to assist prospective users to carry out a high-level assessment of the reasonableness of the Service Provider’s standing price as well as the terms and conditions associated with the service.

A copy of the Financial Reporting Template is included at Appendix A. The Basis of Preparation, as outlined in Section 2, provides information in relation to the inputs and disclosures of the Financial Reporting Template.

In line with Sections 8.4.1 and 8.4.2 of the Financial Reporting Guideline for Non-Scheme Pipelines (December 2017), a review in accordance with *ASRE 2405 Review of Historical Information Other than a Financial Report* has been conducted. A review report is included in Section 3.

Information contained within this Basis of Preparation and the subsequent reporting Template is taken from a number of sources, including:

- Historical and current year audited financial statements
- Customer contracts
- TGP’s nomination, scheduling and billing system

## 2. Basis of Preparation

Template Reference	Basis of Preparation
1. Pipeline Information	<p>The Commencement Date of the Guideline is 1 January 2018. Under the transitional rules, initial financial reporting and weighted prices covering the period 1 January 2018 to 30 June 2018 are disclosed in the Template. Prior year comparisons are not included.</p> <p>All financial information has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, with the exception of any divergence from these requirements as specifically required under Part 23 of the National Gas Rules. These are detailed below where applicable.</p> <p>All financial information has been prepared under the historical cost convention and on an accrual accounting basis.</p> <p>Related Party has the same meaning as per the <i>Corporations Act 2001</i>. TGP does not have any related party dealings that would impact disclosure in the Template.</p>
2. Revenues and Expenses	<p><b>Direct Revenue</b></p> <p>Revenue is measured net of the amount of goods and services tax (GST). All revenue earned is directly attributable to TGP and is categorised as follows:</p> <ul style="list-style-type: none"> <li>• Firm forward haul transportation services, which includes all TGP’s firm revenue from these services</li> <li>• Interruptible or as available compression services, which includes all TGP’s revenue from these services</li> <li>• Park and park and loan services, which includes all TGP’s revenue from storage and park services</li> </ul>

- In pipe trading services, which includes all TGP's revenue from these services
- Other direct revenue, which includes ad-hoc volumetric charges for overruns, imbalance revenue, metering, specific facility shipper charges and pass through charges

#### Indirect Revenue

Indirect revenue is not included on the basis TGP has not earned revenue unrelated to its principal activities.

#### Direct Costs

Expenditure is measured net of GST where applicable. As a single use asset, TGP classifies all cost as direct, split into the following categories:

- Repairs and Maintenance include all scheduled and ad-hoc repair and maintenance work completed on the TGP
- Wages are not included on the basis TGP does not have any direct employees. Operational and asset management staff are allocated to TGP via external Operational and Management Agreements in place
- Depreciation is calculated on a straight-line basis over the estimated useful life of an asset
- Insurance includes directly attributable insurance policies to the pipeline
- Licencing and Regulatory Costs include license fees and fees attributed to regulatory obligations
- Directly attributable finance charges - TGP does not incur directly
- Leasing and Rental Costs refers to an office lease directly held and utilised directly by TGP
- Other Direct Costs refers to all other direct costs incurred by TGP in the Reporting Period in relation to the operation of the pipeline
- Costs relating to interest and taxes are not reported in the Template

#### Shared Costs

TGP is a single pipeline business and does not have a shared cost structure. Costs incurred by TGP are directly attributable to the operation and maintenance of the pipeline.

TGP however, benefits from a lower operating cost base given the synergies of management costs from a portfolio approach of the asset manager. This means that TGP's operating costs are lower than what would be the case if TGP was managed as a standalone asset.

### 3. Statement of Pipeline Assets

#### Plant and Equipment

Each class of plant and equipment is carried at cost, less accumulated depreciation.

#### Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the of the economic benefits embodied in the asset. Land is not depreciated.

#### Easements

Easements are recorded at cost, being the present value of identified net cash flow streams (including renewal options) and are amortised on a straight line based over the estimated lives (in line with the expected useful life of the pipeline). TGP note, amortisation of easements is not included as a calculation formula in the Template. This is a divergence from the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations.

#### **Impairment**

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows. Assets are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired. TGP has not recognised impairment losses for year end 30 June 2018.

#### **Pipeline Asset Useful Life**

Asset lives are generally allocated in line with Appendix A of the Guidelines. Assets falling outside of this range are depreciated over their estimated useful lives.

#### **Shared Supporting Assets**

On the basis TGP is a single pipeline business, a shared asset structure is not applicable.

#### **4. Recovered Capital**

##### **Pipeline Assets**

Construction cost and capital additions are obtained with reference to audited financial statements for TGP Pty Ltd since the commissioning of the pipeline in 2002.

##### **Return of capital**

Revenue and operating expenditure are obtained with reference to audited financial statements since construction of the pipeline.

Net tax liabilities are nil on the basis the TGP sits within a tax consolidated group.

Return on capital is the combination of the notional return on equity and notional return on debt during the applicable period. Notional return on equity is calculated using a regulated cost of equity plus a commercial rate of return. The notional cost of debt has been assumed to be the in line with historical regulatory determinations over the period.

#### **5. Weighted Average Price**

##### **Firm Forward haul transportation services**

TGP transportation tariffs are split into three zones and form the basis of available pricing to shippers.

- TVPS Zone, with a single shipper, and therefore exempt from publishing a weighted average price
- Zone 1, with two shippers, and therefore exempt from publishing a weighted average price
- Zone 2, with multiple shippers

The weighted average tariff for Zone 2 is calculated by determining the overall MDQ and the overall revenue for the period 1 January 2018 to 30 June 2018.

##### **Interruptible or as available transportation services**

TGP does not meet the requirements to publish the weighted average price because there is only a single shipper that utilises this service.

##### **Backhaul Services**

TGP does not recover revenue from this service, as it is not offered on the pipeline. Therefore, TGP does not meet the requirements to publish the weighted average price.

**Stand-alone compression services**

TGP does not recover revenue from this service, as it is not offered on the pipeline. Therefore, TGP does not meet the requirements to publish the weighted average price.

**Storage services**

TGP does not meet the requirements to publish the weighted average price due to:

- Two shippers utilise TGP's High Priority Storage Service, with pricing based on a reserved capacity method
- A single shipper utilises an as available park service, with pricing based on a volumetric usage charge



## **Independent auditor's review report to the directors of Tasmanian Gas Pipelines Pty Ltd on the Pipeline Statements for the period 1 January 2018 to 30 June 2018**

We have reviewed the accompanying Pipeline Statements of Tasmanian Gas Pipelines Pty Ltd (the "Company") for the period 1 January 2018 to 30 June 2018 (the "Schedules") as required by the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator.

The Schedules have been prepared to satisfy the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator.

### ***Management's responsibility for the Schedules***

Management is responsible for the preparation of the Schedules and has determined that the criteria used in the basis of preparation accompanying the Schedules is appropriate to meet the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Assurance practitioner's responsibility***

Our responsibility is to express a conclusion on the Schedules based on our review. We have conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* (ASRE 2405) in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Schedules are not prepared, in all material respects, in accordance with the basis of preparation accompanying the Schedules. No opinion is expressed as to whether the basis of preparation is appropriate to meet the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### ***Independence***

In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants*.

### ***Conclusion***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Schedules have not prepared, in all material respects, in accordance with the accompanying basis of preparation for the period 1 January 2018 to 30 June 2018.

### ***Basis of preparation and restriction on distribution and use***

Without modifying our conclusion, we draw attention to the basis of preparation accompanying the Schedules which describes the basis of preparation. The Schedules have been prepared by management for the purpose of fulfilling the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator. As a result, the Schedules may not be suitable for another purpose.

Our report has been prepared for the directors of Tasmanian Gas Pipelines Pty Ltd for the purpose agreed in our engagement letter. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors of Tasmanian Gas Pipelines Pty Ltd, or for any purpose other than that for which it was prepared.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Craig Thomason', with a long, sweeping horizontal line extending to the right.

Craig Thomason  
Partner

Sydney  
26 October 2018



## **Independent auditor's review report to the directors of Tasmanian Gas Pipelines Pty Ltd on the Asset Valuation using the Recovered Capital Method Schedules as at 30 June 2018**

We have reviewed the accompanying Asset Valuation using the Recovered Capital Method Schedules of Tasmanian Gas Pipelines Pty Ltd (the "Company") as at 30 June 2018 (the "Schedules") as required by the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator.

The Schedules have been prepared to satisfy the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator.

### ***Management's responsibility for the Schedules***

Management is responsible for the preparation of the Schedules and has determined that the criteria used in the basis of preparation accompanying the Schedules is appropriate to meet the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Assurance practitioner's responsibility***

Our responsibility is to express a conclusion on the Schedules based on our review. We have conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* (ASRE 2405) in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Schedules are not prepared, in all material respects, in accordance with the basis of preparation accompanying the Schedules. No opinion is expressed as to whether the basis of preparation is appropriate to meet the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### ***Independence***

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### ***Conclusion***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Schedules have not prepared, in all material respects, in accordance with the accompanying basis of preparation as at 30 June 2018.

### ***Basis of preparation and restriction on distribution and use***

Without modifying our conclusion, we draw attention to the basis of preparation accompanying the Schedules which describes the basis of preparation. The Schedules have been prepared by management for the purpose of fulfilling the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator. As a result, the Schedules may not be suitable for another purpose.

Our report has been prepared for the directors of Tasmanian Gas Pipelines Pty Ltd for the purpose agreed in our engagement letter. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors of Tasmanian Gas Pipelines, or for any purpose other than that for which it was prepared.

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PricewaterhouseCoopers

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

Craig Thomason  
Partner

Sydney  
26 October 2018



## **Independent auditor's review report to the directors of Tasmanian Gas Pipelines Pty Ltd on the Weighted Average Price Information Schedules for the period 1 January 2018 to 30 June 2018**

We have reviewed the accompanying Weighted Average Price Information Schedules of Tasmanian Gas Pipelines Pty Ltd (the "Company") for the period 1 January 2018 to 30 June 2018 (the "Schedules") as required by the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator.

The Schedules have been prepared to satisfy the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator.

### ***Management's responsibility for the Schedules***

Management is responsible for the preparation of the Schedules and has determined that the criteria used in the basis of preparation accompanying the Schedules is appropriate to meet the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Assurance practitioner's responsibility***

Our responsibility is to express a conclusion on the Schedules based on our review. We have conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report (ASRE 2405)* in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Schedules are not prepared, in all material respects, in accordance with the basis of preparation accompanying the Schedules. No opinion is expressed as to whether the basis of preparation is appropriate to meet the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### ***Independence***

In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants*.

### ***Conclusion***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Schedules have not prepared, in all material respects, in accordance with the accompanying basis of preparation for the period 1 January 2018 to 30 June 2018.

### ***Basis of preparation and restriction on distribution and use***

Without modifying our conclusion, we draw attention to the basis of preparation accompanying the Schedules which describes the basis of preparation. The Schedules have been prepared by management for the purpose of fulfilling the requirements of the Financial Reporting Guideline for Non-Scheme Pipelines published in December 2017 issued by the Australian Energy Regulator. As a result, the Schedules may not be suitable for another purpose.

Our report has been prepared for the directors of Tasmanian Gas Pipelines Pty Ltd for the purpose agreed in our engagement letter. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors of Tasmanian Gas Pipelines Pty Ltd, or for any purpose other than that for which it was prepared.

PricewaterhouseCoopers

PricewaterhouseCoopers

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Craig Thomason  
Partner

Sydney  
26 October 2018

Non- Scheme Gas Pipeline - Financial Guideline Reporting template

## Gas Pipeline Operator Reporting template

This template is to be uploaded by a Gas Pipeline Operator to its website to fulfil its annual reporting obligations.

**Colour coding of input sheets:**

Dark blue = AER instructions/headings

Yellow = Input cells

Grey - Not applicable/No inputs required

Leave coloured cells blank if no information exists - PLEASE DO NOT ENTER TEXT unless specifically requested to do so.

All dollar amounts are to be unrounded, and in nominal terms.

**Service provider:** Tasmanian Gas Pipeline Pty Ltd

**Australian business number:** 36 083 052 019

**Pipeline name:** Tasmanian Gas Pipeline (TGP)

**Reporting period start date:** 1/01/2018

**Reporting period end date:** 30/06/2018

<b>Business address</b>	Address	C/- Palisade Integrated Management Services		
	Suburb	Level 26, 140 William Street		
	State	VIC	Postcode	3000
<b>Postal address</b>	Address	As above		
	Suburb			
	State		Postcode	
<b>Contact name/s</b>	Elias Bozoglou			
<b>Contact phone/s</b>	03 9044 1121			
<b>Contact email address/s</b>	elias.bozoglou@palisadeims.com.au			

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## Financial performance measures

Tasmanian Gas Pipeline Pty Ltd

Year ending

30/06/2018

**Table 1.1.1: Return on assets**

	Pipeline
Earnings before interest and tax	6,798,059.14
Total assets	212,639,467.84
Return on assets	<b>0.03</b>

## Statement of pipeline revenues and expenses

Tasmanian Gas Pipeline Pty Ltd

Year ending 30/06/2018

Table 2.1: Statement of pipeline revenues and expenses

Basis of Preparation reference	Description	Reporting period		
		Amounts excluding related party transactions	Related party transactions	Total
		\$ nominal	\$ nominal	\$ nominal
	<b>Direct revenue</b>			
2.00	Total service revenue	15,289,291.15	-	15,289,291.15
2.00	Other direct revenue	-	-	-
	<b>Total direct revenue</b>	<b>15,289,291.15</b>	<b>-</b>	<b>15,289,291.15</b>
	<b>Indirect revenue allocated</b>			
2.00	Other revenue	-	-	-
	<b>Total indirect revenue allocated</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total revenue</b>	<b>15,289,291.15</b>	<b>-</b>	<b>15,289,291.15</b>
	<b>Direct costs</b>			
2.00	Repairs and maintenance	- 282,805.55	-	- 282,805.55
2.00	Wages	-	-	-
2.00	Depreciation	- 2,673,352.44	-	- 2,673,352.44
2.00	Insurance	- 314,698.93	-	- 314,698.93
2.00	Licence and regulatory costs	- 258,353.36	-	- 258,353.36
2.00	Directly attributable finance charges	-	-	-
2.00	Leasing and rental costs	- 7,913.48	-	- 7,913.48
2.00	Other direct costs	- 4,954,108.25	-	- 4,954,108.25
	<b>Total direct costs</b>	<b>- 8,491,232</b>	<b>-</b>	<b>- 8,491,232.01</b>
2.00	<b>Shared costs</b>			
	Employee costs	-	-	-
	Information technology and communication costs	-	-	-
	Indirect operating Expenses	-	-	-
	Shared asset depreciation	-	-	-
	Rental and leasing costs	-	-	-
	Borrowing costs	-	-	-
	Loss from sale of shared fixed assets	-	-	-
	Impairment Losses (nature of the impairment loss)	-	-	-
	Other shared costs	-	-	-
	<b>Total shared costs allocated</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total costs</b>	<b>- 8,491,232.01</b>	<b>-</b>	<b>- 8,491,232.01</b>
	<b>Earnings before Interest and tax (EBIT)</b>	<b>6,798,059.14</b>	<b>-</b>	<b>6,798,059.14</b>

## Revenue by service

Tasmanian Gas Pipeline Pty Ltd

Year ending 30/06/2018

Table 2.1.1: Revenue by service

Basis of Preparation reference	Description	Reporting period		
		Amounts excluding related party transactions	Related party transactions	Total
		\$ nominal	\$ nominal	\$ nominal
	<b>Direct revenue</b>			
2.00	Firm forward haul transportation services	12,687,452.77	-	12,687,452.77
2.00	Interruptible or as available transportation services		-	-
2.00	Backhaul services		-	-
2.00	Firm stand-alone compression service		-	-
2.00	Interruptible or as available stand-alone compression service	180,645.00	-	180,645.00
2.00	Park and park and loan services	1,930,107.40	-	1,930,107.40
2.00	Capacity trading service		-	-
2.00	In pipe trading service	300.00	-	300.00
2.00	Distribution/transmission revenue		-	-
2.00	Customer contribution revenue	-	-	-
2.00	Profit from sale of fixed assets		-	-
2.00	Other direct revenue	490,785.98	-	490,785.98
	<b>Total direct revenue</b>	<b>15,289,291.15</b>	<b>-</b>	<b>15,289,291.15</b>

## Revenue - contributions

Tasmanian Gas Pipeline Pty Ltd

Year ending

30/06/2018

**Table 2.2.1: Customer contributions received**

Description	Amounts excluding related party transactions	Related party transactions	Total
	\$ nominal	\$ nominal	\$ nominal
Total	-	-	-

**Table 2.2.2: Government contributions received**

Source	Description	Total
		\$ nominal
	Total	-





## Statement of pipeline assets

Tasmanian Gas Pipeline Pty Ltd

Year ending 30/06/2018

Table 3.1: Pipeline assets

Basis of Preparation reference	Description	Reporting period	Previous reporting period
		\$ nominal	\$ nominal
	<b>Pipelines</b>		
	Initial construction cost	221,081,360.13	
	Additions	-	
	Capitalised maintenance	-	
	Total capitalised pipeline construction costs	221,081,360.13	-
	Asset disposal (at cost)	-	
	Less depreciation	- 67,193,429.26	
	Closing pipeline carrying value	<b>153,887,930.87</b>	-
	<b>Compressors</b>		
	Initial purchase costs	-	
	Additions and improvements capitalised	-	
	Depreciation of compressors	-	
	Disposal (at cost)	-	
	Closing compressors carrying value	-	-
	<b>City Gates supply regulators and valve stations</b>		
	Initial purchase costs	49,620,837.44	
	Improvements capitalised	-	
	Depreciation of city gates, supply regulators and valve stations	- 14,895,161.45	
	Disposal (at cost)	-	
	Closing city gates, supply regulators and valve stations carrying value	<b>34,725,675.99</b>	-
	<b>Metering</b>		
	Initial purchase costs	595,363.08	
	Additions and improvements capitalised	-	
	Depreciation of metering	- 210,177.34	
	Disposal (at cost)	-	
	Closing Metering	<b>385,185.74</b>	-
	<b>Odourant plants</b>		
	Initial purchase costs	-	
	Additions and improvements capitalised	-	
	Depreciation of odourant plants	-	
	Disposal (at cost)	-	
	Closing odourant plants carrying value	-	-
	<b>SCADA (Communications)</b>		
	Initial purchase costs	1,602,374.88	
	Additions and improvements capitalised	-	
	Depreciation of SCADA	- 840,586.37	
	Disposal (at cost)	-	
	Closing SCADA carrying value	<b>761,788.51</b>	-
	<b>Buildings</b>		
	Initial purchase costs	3,902,571.86	
	Additions and improvements capitalised	-	
	Depreciation of buildings	- 3,616,280.65	
	Disposal (at cost)	-	
	Closing buildings carrying value	<b>286,291.21</b>	-
	<b>Land and easements</b>		
	Initial purchase costs	20,816,450.69	
	Additions and improvements capitalised	-	
	Disposal (at cost)	-	
	Closing land and easements carrying value	<b>20,816,450.69</b>	-
	<b>Other depreciable pipeline assets</b>		
	Initial purchase/improvement cost	4,902,813.89	
	Depreciation/amortisation	- 3,126,669.06	
	Disposal (at cost)	-	
	Closing other depreciable pipeline assets carrying value	1,776,144.83	-
	Other non-depreciable pipeline assets		
	Total pipeline assets	212,639,467.84	-
	<b>Shared supporting assets</b>		
	Shared property, plant and equipment at cost	-	
	Additions and improvements capitalised	-	
	Shared property, plant and equipment depreciation	-	
	Closing shared property, plant and equipment	-	-
	Inventories		
	Deferred tax assets		
	Other assets		
	Total shared supporting assets allocated	-	-
	<b>TOTAL ASSETS</b>	<b>212,639,467.84</b>	<b>-</b>

**Asset useful life**

Tasmanian Gas Pipeline Pty Ltd

Year ending 30/06/2018

**Table 3.1.1: Asset useful life**

Basis of Preparation	Description (list each individual balance sheet item)	Acquisition date	Useful life	Reason for choosing this useful life
			years	
3.0	Pipelines	August 2002 - December 2016	40-67 years	Based on component useful life
3.0	Compressors	n/a	n/a	n/a
3.0	City Gates supply regulators and valve stations	August 2002 - December 2016	5-40 years	Based on component useful life
3.0	Metering	August 2002 - June 2014	10-40 years	Based on component useful life
3.0	Odourant plants	n/a	n/a	n/a
3.0	SCADA (Communications)	April 2009 - January 2017	4-15 years	Based on component useful life
3.0	Buildings	August 2002 - May 2015	15-40 years	Based on component useful life
3.0	Other depreciable pipeline assets	August 2002 - May 2018	5-20 years	Based on component useful life
3.0	Shared supporting assets	n/a	n/a	n/a
3.0	Land and Easements	August 2002 - December 2016	40-63 years	Land is not depreciated. Easements are amortised in line with useful life of the pipeline

# Asset impairment

Tasmanian Gas Pipeline Pty Ltd  
Year ending 30/06/2018

Table 3.2.1: Assets impaired

Asset description	Impairment amount \$ nominal	Impairment date	Basis for impairment

Table 3.2.2: Asset impairment reversals

Asset description	Prior Impairment amount \$ nominal	Impairment date	Basis for impairment	Reversal amount \$ nominal	Reversal date	Basis for Reversal





Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation	Asset description	Year																
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
4.0	<b>Pipeline assets</b>																	
	Construction cost	441,176	480,256	553,659	600,101	625,355	650,115	691,793	702,917	742,838	778,719	814,719	836,473	859,623	878,165	894,850	910,568	920,698
	Negative residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Additions	-	31,414	832	1,385	4,349	-	7,071	5,822	834	2,039	13	33	382	257	3,527	384	221
	Maintenance capitalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Disposal (at cost)	-	68	-	-	-	-	-	19,438	73	47	-	-	-	-	-	-	-
	<b>Cost base</b>	<b>441,108</b>	<b>511,670</b>	<b>554,491</b>	<b>601,486</b>	<b>629,704</b>	<b>650,115</b>	<b>679,426</b>	<b>708,666</b>	<b>743,625</b>	<b>780,758</b>	<b>814,732</b>	<b>836,506</b>	<b>860,005</b>	<b>878,422</b>	<b>898,377</b>	<b>910,952</b>	<b>920,918</b>
	<b>Shared assets</b>																	
	Construction cost or acquisition cost (where allowed) apportioned																	
	Additions																	
Maintenance capitalised																		
Disposal (at cost)																		
<b>Cost base</b>																		
<b>Total assets</b>	<b>441,108</b>	<b>511,670</b>	<b>554,491</b>	<b>601,486</b>	<b>629,704</b>	<b>650,115</b>	<b>679,426</b>	<b>708,666</b>	<b>743,625</b>	<b>780,758</b>	<b>814,732</b>	<b>836,506</b>	<b>860,005</b>	<b>878,422</b>	<b>898,377</b>	<b>910,952</b>	<b>920,918</b>	
4.0	<b>Return of capital</b>																	
	Revenue	8,160	11,042	15,904	30,235	26,011	-	41,513	23,398	24,876	28,850	27,993	27,696	28,326	29,487	33,646	33,549	34,151
	Operating expenses	- 3,570	- 10,393	- 15,591	- 8,523	- 5,017	-	- 13,114	- 6,624	- 8,905	- 12,015	- 9,305	- 11,286	- 7,567	- 7,469	- 10,279	- 8,592	- 11,215
	Net tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Return on capital	- 43,738	- 42,638	- 45,923	- 45,581	- 41,405	- 41,678	- 51,889	- 50,946	- 51,066	- 50,795	- 40,429	- 39,527	- 38,919	- 38,446	- 35,558	- 34,703	- 35,819
	<b>Total Return of Capital</b>	<b>- 39,148</b>	<b>- 41,989</b>	<b>- 45,610</b>	<b>- 23,869</b>	<b>- 20,411</b>	<b>- 41,678</b>	<b>- 23,490</b>	<b>- 34,172</b>	<b>- 35,095</b>	<b>- 33,960</b>	<b>- 21,741</b>	<b>- 23,117</b>	<b>- 18,160</b>	<b>- 16,428</b>	<b>- 12,191</b>	<b>- 9,746</b>	<b>- 12,883</b>
	<b>Recovered capital method total asset value</b>	<b>480,256</b>	<b>553,659</b>	<b>600,101</b>	<b>625,355</b>	<b>650,115</b>	<b>691,793</b>	<b>702,917</b>	<b>742,838</b>	<b>778,719</b>	<b>814,719</b>	<b>836,473</b>	<b>859,623</b>	<b>878,165</b>	<b>894,850</b>	<b>910,568</b>	<b>920,698</b>	<b>933,802</b>

Table 4.2: Pipeline details

Construction date	21/08/2002
Negative residual value	

**Capital expenditure**

Tasmanian Gas Pipeline Pty Ltd  
Year ending 30/06/2018

**Table 4.1.1: Capital expenditure greater than 5% of construction cost**

Basis of Preparation reference	Description of works	Date recognised	Expenditure (\$ nominal)

**Table 5.1: Weighted average prices**

		Zonal Based Transportation Services												
		Zone 1						Zone 2						
Total revenue		Total Zonal Revenue	Capacity based			Volumetric based			Capacity based			Volumetric based		
Service description	\$'000	\$	Revenue \$	Total MDQ	WAP (\$/MDQ)	Revenue \$	Total TJ	WAP (GJ)	Revenue \$	Total MDQ	WAP (\$/MDQ)	Revenue \$	Total TJ	WAP (GJ)
<b>Transportation services</b>														
Firm forward haul transportation services	6,476,654.94	6,476,654.94	-	-	-	-	-	-	6,476,654.94	3,351,215.00	1.93	-	-	-
Interruptible or as available transportation services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Stand alone compression services</b>														
Firm stand alone compression services	-													
<b>Storage services</b>														
Firm park/park and loan services	-													
<b>Total exempt services</b>	-													
<b>Total</b>	<b>6,476,654.94</b>	<b>6,476,654.94</b>	-	-	-	-	-	-	<b>6,476,654.94</b>	<b>3,351,215.00</b>		-	-	-

**Services exemption granted from AER for Weighted Average Price disclosure**

Tasmanian Gas Pipeline Pty Ltd

Year ending

30/06/2018

**Table 5.1.1: AER exemptions**

Service category
Firm Forward haul transportation services for TVPS zone
Firm Forward haul transportation services for zone 1
Interruptible or as available transportation service
Storage service (high priority storage)
Storage service (as available park)

## **Additional (optional) notes and information**

**Tasmanian Gas Pipeline Pty Ltd**  
**Year ending 30/06/2018**