

## **Appendix A –Stakeholder feedback template**

The template on the following page below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The GMRG strongly encourages stakeholders to use this template, so that it can have due regard to the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern.

## TGPPL Feedback Template

	Questions	Feedback
3	<b>Entity financial statements</b>	
1.	<p>What existing entity level financial statements are prepared by service providers?</p> <ul style="list-style-type: none"> <li>• Are these existing statements prepared in accordance with Australian accounting standards or international financial reporting standards?</li> <li>• Where the pipeline is operated by a joint venture, does the joint venture prepare financial information?</li> </ul>	
2.	<p>Do you think service providers should be required to provide annual reports for the entity that owns or operates the pipeline?</p> <ul style="list-style-type: none"> <li>• If so, please explain what benefits you think this information will provide users that are seeking access to the services provided by non-scheme pipelines.</li> <li>• If not, please explain why not.</li> </ul>	
3.	<p>Are service providers likely to face any challenges publishing entity level financial statements?</p>	
4.	<p>If entity level financial statements are not required, do you think there would be value in requiring the service provider to report the entity level return on assets and return on equity?</p>	
4	<b>Pipeline financial statements</b>	
5.	<p>Are there any categories of revenue missing from the income statement that you think should be reported? If so, please what information is missing is and why it is required?</p>	

	Questions	Feedback
6.	Are there any categories of revenue that be particularly difficult to find a basis for allocation to a pipeline?	
7.	Are there any categories of expenses missing from the income statement that you think should be reported? If so, what information is missing is and why is it required?	
8.	Should interest expense and tax expense be required to be included in the pipeline income statement?	
9.	Are there any categories of assets and liabilities missing from the balance sheet that you think should be reported? If so, please what information is missing is and why it is required?	
10.	Should liabilities and equity be disclosed in the pipeline balance sheet?	
11.	Do you think any additional notes should be provided to the financial statements?	
12.	Do you think any other financial statements (e.g. cash flow statements) should be published? If so, please explain what value this would provide prospective users when assessing the reasonableness of an offer.	
13.	Is it feasible to report pipeline financial information in the event the pipeline is owned by multiple service providers (e.g. through a joint venture)? If so, what process do you suggest is used to identify the service provider responsible for publishing pipeline financial information?	

	Questions	Feedback
14.	Should asset value impairments be allowed? If so, in what circumstances?	
15.	Do you have any concerns with the use of acquisition values for the purposes of calculating the book value used in the Balance Sheet? If so, please explain why.	
16.	Do you agree with the proposed capitalisation principles?	
17.	Are there any categories of revenue, costs, assets or liabilities which will be particularly difficult to find a basis for allocation to a pipeline?	
18.	What difficulties arise in allocating interest and tax expenses to an individual pipeline?	
19.	Do you think shared costs should be separated into the various categories in Section 4.1.1 of the draft guideline, or is it sufficient for these to be reporting as one line "shared costs"?	
20.	If liabilities and equity are disclosed in the pipeline balance sheet, how should shared debt / equity be allocated?	
21.	If allocation principles form part of an arbitrator's final determination under Part 23 of the NGR, should the service provider be required to note this in the pipeline financial information?	
22.	Are there any methods, principles or inputs that you think should be specified in the guideline?	
23.	Should the pipeline statements (performance metrics) show the return on equity for the pipeline, or is it	

	Questions	Feedback
	sufficient to show the return on assets only? What benefit could shippers derive from understanding a pipeline's return on equity?	
24.	What other financial performance metrics would be useful to shippers and why?	
<b>5</b>	<b>Recovered capital</b>	
25.	If a service provider does not have records of all the historic information required to apply the recovered capital method (either due to the age of the pipeline or because the pipeline has changed hands), what steps do you think the service provider should be required to demonstrate they have taken to obtain this information?	
26.	If the service provider has exhausted all avenues for obtaining this information, do you think it should be required to develop an estimate of the missing information? <ul style="list-style-type: none"> <li>• If not, please explain why not?</li> <li>• If so, what guidance should be provided in the guideline on how these estimates are to be generated?</li> </ul>	
27.	If estimates are permitted: <ul style="list-style-type: none"> <li>• how reliable do you think the estimates are likely be and is there a risk that this information could be misleading to shippers?</li> <li>• how could estimates be tested or reviewed to ensure they have been arrived at on a reasonable basis and reflect the best estimate in the</li> </ul>	

	Questions	Feedback
	<p>circumstances?</p> <ul style="list-style-type: none"> <li>• what level of certification is relevant / possible if the information is based on estimates?</li> </ul>	
28.	Are there likely to be any challenges including shared assets in this valuation approach?	
29.	Are there likely to be any challenges in determining a commercial rate of return for each year (including the rate of return for a previous owner of the pipeline)?	
30.	Is any further prescription required regarding what net tax liability amounts consist of?	
<b>6</b>	<b>Weighted average price</b>	
31.	Do you agree with the proposed approach to calculating weighted average prices by service type and charging method? If not, please explain why not and set out the alternative methodology you think should be employed.	
32.	Should estimates be allowed where agreements do not separate revenue? If not, how should these revenues be allocated?	
33.	Is the proposed level of disaggregation of services appropriate, or could some service categories be aggregated and still provide a meaningful benchmark against which prices and offers can be compared?	
<b>7</b>	<b>Certification</b>	
34.	What level of assurance is appropriate for the pipeline financial statements? Would this change if there is information in the pipeline statement that is required	

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	to be estimated?	
35.	What level of assurance is required for the asset valuation carried out using the method set out in rule 569(4)? If agreed upon procedures are appropriate, what should these procedures be?	TGP notes that Appendix B of the consultation paper has example pipeline asset life ranges. TGP is of the view that each pipeline will generally have its own useful life, and this may be physical, technical, economic, or other. The requirement to report against these indicative asset life ranges may involve detailed justifications.  In addition, TGP seeks clarification of the level of certification required noting that engagements performed under ASRE4400 may not necessarily be appropriate to have externally published.
36.	What level of assurance is required for the weighted average pricing information? If agreed upon procedures are appropriate, what should these procedures be?	TGP seeks clarification of the level of certification required noting that engagements performed under ASRE4400 may not necessarily be appropriate to have externally published.
37.	What mechanism should be used in the guideline to ensure any revisions to accounting standards are reflected?	
38.	Where there are changes in accounting standards, should the service provider be required to outline the impact of changes in accounting standards, or is it sufficient for the guideline to state the information prepared for prior periods should not need to be amended for changes in accounting standards?	
39.	What level of assurance is appropriate for initial reporting requirements? Why?	
<b>8</b>	<b>Confidentiality</b>	
40.	Do you think that any of the information required by the draft guideline is confidential? If so: <ul style="list-style-type: none"> <li>What information do you believe is confidential and why?</li> </ul>	

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	<ul style="list-style-type: none"> <li>What impact would the disclosure of this information have on service providers?</li> </ul>	
41.	How could this information be presented to avoid confidentiality concerns but still meet the objectives of the NGR? For example, could this information be aggregated in a manner that was still meaningful?	
42.	Is a confidentiality regime required? If so, how do you suggest this should operate?	

TGP also notes that the information obligations and certification requirements of the guidelines will add additional costs to the provision of pipeline services. TGP believe that a reasonable portion of this cost should be recovered. Where existing contracts are in place, the costs to cover these requirements may not be fully recovered; TGP would invite the GMRG to consider alternative cost recovery methodologies such as minimal annual charges.