

Pipeline information disclosure guidelines and Price reporting guidelines for Part 18A facilities

Prescribed transparency information

October 2023

© Commonwealth of Australia 2023

This work is copyright. In addition to any use permitted under the *Copyright Act 1968*, all material contained within this work is provided under a Creative Commons Attribution 3.0 Australia licence except for:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration, diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright, but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website as is the full legal code for the CC BY 3.0 AU licence.

Inquiries about this publication should be addressed to:

Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601
Tel: 1300 585 165

Email: [AERInquiry@aer.gov.au](mailto:AERInquiry@ aer.gov.au)

AER reference: 15751892

Amendment Record

Version	Date	Pages
1	27 October 2023	56

Contents

1	Nature and authority	1
1.1	About this document	1
1.2	Introduction to the Pipeline information disclosure guidelines	1
1.3	Application of these Guidelines	3
1.4	Interpretation	4
1.5	Definitions	4
1.6	Other issues	7
1.7	Publication	8
1.8	Exemptions	8
1.9	Commencement of publication	9
1.10	Transitional arrangements	10
2	Financial statements	11
2.1	How and where to publish financial statements	11
2.2	Pipeline information	11
2.3	Statement of revenues and expenses	13
2.4	Statement of asset value – depreciated book value method	16
2.5	Statement of asset value – regulatory asset base	20
2.6	Statement of asset value – recovered capital method	21
2.7	Historical demand	28
2.8	Basis of preparation	29
2.9	Cost allocation methodology	29
3	Standing terms	31
3.1	Methodology	31
3.2	Standing price principles	31
3.3	Different pricing methodologies	32
4	Actual prices payable information	34
4.1	Pipeline services spanning multiple pipelines	34
4.2	Receipt and delivery points	34
4.3	Exception to publishing actual prices payable information	34
5	How and where to publish information	35
5.1	Publishing requirements	35
5.2	Exemptions from publishing information	36
6	Certification	37
6.1	Access information standard	37
6.2	Assurance obligations	37
6.3	Supplementary information	38
7	Publication of user access guide	40

8	Compliance and enforcement	41
8.1	Maintaining compliance	41
8.2	Reporting by the AER	41
8.3	Complaints and investigations	41
8.4	Enforcement	41
9	Price reporting guidelines for a Part 18A facility	42
9.1	Other issues	42
9.2	Application of these Guidelines.....	42
9.3	Establish and maintain accounts.....	42
9.4	Currency and GST.....	42
9.5	Publication	42
9.6	Exemptions.....	43
9.7	Part 18A Standing terms.....	43
9.8	Actual prices payable information	46
9.9	How and where Part 18A information is to be published	47
9.10	Part 18A Certification.....	48
	Appendix A – Pipeline asset lives	50
	Appendix B – List of past ACCC and AER gas decisions and rate of return instruments 51	
	Appendix C – Overview of required information for basis of preparation for pipeline service providers	53
	Appendix D – Assurance obligations	56

1 Nature and authority

1.1 About this document

This document includes two guidelines:

- The pipeline information disclosure guidelines, that the Australian Energy Regulator (**AER**) is required to publish and maintain under Part 10 of the National Gas Rules (**NGR**). These guidelines:
 - are set out in Section 1 through Section 8 and Appendix A through Appendix D of this document
 - relate to **service providers** of **scheme** and **non-scheme pipelines**.
- The price reporting guidelines, that the **AER** is required to publish and maintain under Part 18A of the **NGR**. These guidelines:
 - are set out in Section 9 of this document
 - relate to **service providers** of stand-alone compression and storage facilities.

1.2 Introduction to the Pipeline information disclosure guidelines

1.2.1 Prescribed transparency information

Under Part 10 of the **NGR**, **service providers** must publish and maintain:

- service and access information
- **standing terms**
- financial information, historical demand information and a cost allocation methodology
- actual prices payable information.

The purpose of this prescribed transparency information is to provide **users** or **prospective users** of **pipelines** with increased information to reduce the imbalance in bargaining power they can face when negotiating access to **pipeline services** with **service providers**. **Users** or **prospective users** may use this information to conduct a high-level assessment of the reasonableness of the **service provider's standing price**, the offer to the **user** or **prospective user**, and the terms and conditions associated with the **pipeline service**.

This information can also provide **users** or **prospective users** with a better understanding of:

- the costs that the **service provider** must recover
- the prices achieved by other **users** of the **pipeline**
- changes in operating costs, asset values and contracted capacity over time.

Users or **prospective users** can draw on this information to make better informed decisions in their own negotiations for access to **pipeline services**.

1.2.2 Pipeline information disclosure guidelines and pricing template

The **Guidelines** are published by the **AER** in accordance with rule 103 of the **NGR**. The purpose of these **Guidelines** is to give **service providers** guidance and instruction about the level of information they must publish, and how the information must be published on their websites. This will facilitate **service providers** publishing usable, accessible, and transparent information to benefit **users** or **prospective users**.

Broadly, the **NGR** require that these **Guidelines**:

- provide for the publication of financial information about each **non-scheme pipeline** on a pipeline-by-pipeline basis and in respect of the **financial year** for the **pipeline**
- specify the methods, principles and inputs for aspects of financial information such as the value of assets, allocation of **costs** and return on capital
- specify the information **service providers** must report on as to the methodology used to calculate **standing prices**, the inputs used in the calculation of **standing prices**, and any related information as determined by the **AER**
- specify the level of detail of information required, which must be the level of detail reasonably required given the objectives of Part 10
- specify any accounting or audit standards for the reported information
- specify where and how information is to be published
- provide for the way financial information, historical demand information and cost allocation methodology is to be certified as being true and fair
- specify where and how a **user access guide** is to be published by a **service provider** under Part 11
- provide for such other matters the **AER** considers appropriate.

These **Guidelines** refer to the **Part 10 financial reporting template** and set out the requirements for **service providers** to complete the template. These **Guidelines** are to be read in conjunction with the pipeline information disclosure guidelines explanatory statement.

These **Guidelines** prescribe:

- the form and content of financial information required to be published
- the methodology, principles and inputs used to calculate the financial information
- the information required to be disclosed regarding the methodology used to calculate **standing prices**, including inputs used
- the manner in which an independent auditor must certify the above information
- how this information is to be published on a **service provider's** website.

The pricing template included in the **Part 10 financial reporting template** transforms the financial information and historical demand information published by **service providers** into cost-based price benchmarks. The benchmarks will provide **users** or **prospective users** with an indicative range of prices for **pipeline services** to help them in negotiations.

While the prescribed transparency information is intended to benefit **users or prospective users**, it is not intended to bind **service providers** or arbitrators or to determine price outcomes of negotiations.

1.2.3 Service providers not bound by prescribed transparency information

Service providers are not bound to set prices based on the methodologies or financial information that they are required to publish under Part 10 of the **NGR** and these **Guidelines**.

For reference services on **scheme pipelines**, **service providers** can set tariffs at no greater than those allowed under the current access arrangement. For non-reference services on **scheme pipelines** and any service on a **non-scheme pipeline**, **service providers** are free to set and negotiate tariffs, and they are not restricted on the methodology they choose to set tariffs and standing prices.

1.2.4 Arbitrator not bound by prescribed transparency information

In the event of a **non-scheme pipeline** access dispute, the dispute may go to arbitration. In accordance with Rule 113V(2)(b) of the **NGR**, the arbitrator may specify the price and other terms and conditions on which the **user or prospective user** must be given access to the **pipeline service** in dispute. In doing so the arbitrator may, among other factors, consider asset valuations published by **service providers** in the **Part 10 financial reporting template**. However, the arbitrator is not bound to specify a price based on the methodologies or financial information that **service providers** are required to publish under Part 10 of the **NGR** and these **Guidelines**. Instead, the arbitrator must have regard to the pricing principles set out in Rule 113Z of the **NGR**.

1.3 Application of these Guidelines

1.3.1 Legal framework

These **Guidelines** should be read in conjunction with the National Gas Law (**NGL**) and the **NGR**.

The **NGL** is set out in the schedule to the *National Gas (South Australia) Act 2008* (SA). The **NGL** applies in each participating jurisdiction (other than Western Australia) under the applicable legislation of each jurisdiction.

The **NGR** are made under the **NGL** and have the force of law.

1.3.2 The role of the AER

The **AER** is an independent statutory authority established under Part IIIAAA of the *Competition and Consumer Act 2010* (Commonwealth).

Under Chapter 5 of the **NGL** and Part 10 and Part 18A of the **NGR**, the **AER** has a role as both regulator and scheme administrator. These **Guidelines** are published by the **AER** in its capacity as regulator.

As regulator, the **AER** has monitoring, investigative and enforcement powers conferred on it by the **NGL**. The enforcement options available to the **AER** depend, in part, on whether the provisions in the **NGL** or **NGR** are designated as civil penalty provisions and/or conduct provisions in the **NGL** or the regulations made under the **NGL**.

1.3.3 Commencement

These **Guidelines** commence on **31 October 2023**. Further detail regarding transitional reporting following this date is provided in Section 1.9 of these **Guidelines**.

1.3.4 Application

The information disclosure and arbitration framework, as articulated in Part 10, Part 11 and Part 12 of the **NGR** apply to all **service providers** of a **pipeline**.

The information disclosure framework, as articulated in Part 18A of the **NGR** apply to all **service providers** of a **Part 18A facility**.

1.3.5 Process for revisions

The **AER** may amend these **Guidelines** from time to time, in accordance with Rule 103(5) and Rule 198H(3) of the **NGR** and, if applicable, the standard consultative procedure in Rule 8 of the **NGR**. A date of issue will identify each version in the amendment record of these **Guidelines**.

1.4 Interpretation

In these **Guidelines**, unless the contrary intention appears:

- a term in bold type that is expressly defined in Section 1.5 of these **Guidelines** has the meaning set out in that section
- a term in bold type that is not expressly defined in Section 1.5 of these **Guidelines** has the same meaning it has in the **NGR**
- the singular includes the plural, and vice versa
- a reference to any legislation, legislative instrument or other instrument is a reference to that legislation or instrument as is in force from time to time
- explanations in these **Guidelines** about why certain information is required are provided for guidance only. They do not limit in any way the **AER's** objectives, functions or powers.

1.5 Definitions

In these **Guidelines**:

- **AASB** means the accounting standards prescribed by the Australian Accounting Standards Board.
- **ACCC** means the Australian Competition and Consumer Commission.
- **access contract** has the meaning given in the **NGR**.
- **access information standard** has the meaning given in Rule 101 of the **NGR**.
- **AEMO** means the Australian Energy Market Operator.
- **AER** means the Australian Energy Regulator.
- **application date** has the meaning given in the **NGR** and means the date of commissioning of the **pipeline**.

- **asset valuation objective** means the objective of facilitating access to **pipeline services** provided by means of **non-scheme pipelines** on reasonable terms, which is taken to mean at prices and on other terms and conditions that, so far as practicable, reflect the outcomes of a workably competitive market.
- **alternative asset valuation method** means an asset valuation method that is consistent with the **asset valuation objective**, and which is used by a **service provider** to estimate the value of the asset where the **service provider** deems that the **recovered capital method** is inconsistent with the **asset valuation objective**.
- **capital base**, in relation to a **pipeline**, means the underlying value to be attributed, in accordance with these **Guidelines**, to **pipeline assets**. To avoid doubt, the **capital base** calculation methodology differs for the **depreciated book value method** (in Section 2.4 of these **Guidelines**), the **recovered capital method** (in Section 2.5 of these **Guidelines**) and the building block method (in Section 3.3 of these **Guidelines**).
- **capital expenditure** means any expenditure that is incurred by the **service provider**, and either: relates to the purchase or construction of a new asset, increases the functionality of the asset, or extends the service life of the asset.
- **construction cost** means the **costs** of construction of an asset prior to the **application date** of the **pipeline**. The **construction costs** for **pipeline assets** can be capitalised where they meet the requirements for capitalisation according to the **AASB**.
- **costs** mean expenditure incurred by a **service provider** in the provision of **pipeline services**. To avoid doubt, **costs** include indirect (shared) **costs** allocated to the **pipeline**.
- **designated financial year** has the meaning given in Rule 10 of Schedule 6 of the **NGR** and means the **financial year** immediately following 30 June 2024.
- **depreciated book value method** has the meaning given in Section 2.4 of these **Guidelines**.
- **depreciation** has the meaning given in Section 2.4 of these **Guidelines**.
- **exemption** means an **exemption** granted by the **AER** under Part 10 of the **NGR**.
- **final investment decision** means the final decision of the capital investment decision to invest in a particular capital project.
- **financial year** has the meaning given under Rule 100A of the **NGR**.
- **Gas Bulletin Board** means a website (gbb.aemo.com.au) managed by **AEMO** that provides information on major interconnected gas processing facilities, gas transmission **pipelines**, gas storage facilities, and demand centres in eastern and south-eastern Australia.
- **Guidelines** mean the **pipeline** information disclosure guidelines published by the **AER** under Part 10 of the **NGR** and amended from time to time, except for in Section 9 where it refers to the price reporting guidelines published by the **AER** under Part 18A and amended from time to time.
- **immaterial** means information that does not meet the definition of **material** given in this section of these **Guidelines**.

- **impairment** means a special, non-recurring charge taken to write down an asset with an overstated book value, incurred pursuant to **AASB 136** Impairment of Assets.
- **indirect revenue** means all revenues not directly attributable to the **pipeline**, allocated to the **pipeline** in accordance with the allocation principles set out in section 2.3.6 of these **Guidelines**.
- **limited assurance** has the meaning given in Section 6.2 of these **Guidelines**.
- **material** means information that if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of **users**, **prospective users** or the **AER** taken on the basis of the information provided under Part 10 of the **NGR**. This definition is based on the definition of materiality in the accounting standard **AASB 1031** or, upon the withdrawal of **AASB 1031**, paragraph 5 of the accounting standard **AASB 108**.
- **NGL** means the National Gas Law.
- **NGR** means the National Gas Rules.
- **non-scheme pipeline** has the meaning given in the **NGL**.
- **operating expenditure** means operating, maintenance and other **costs** of a non-capital nature incurred in providing **pipeline services**. For Section 2.4 of these **Guidelines**, **operating expenditure** includes **depreciation** and amortisation expenses but excludes interest and tax.
- **Part 10 financial reporting template** means the financial reporting template developed in accordance with these **Guidelines** and where **service providers** must publish financial information and historical demand information under Part 10 of the **NGR** and these **Guidelines**.
- **pipeline** has the meaning given in the **NGL**.
- **pipeline assets** in relation to a **pipeline**, means capital assets that constitute the **pipeline** or are otherwise used by the **service provider** to provide services, including **construction costs** capitalised (or acquisition **costs** capitalised where allowed in Section 2.4 of these **Guidelines**), capitalised maintenance and any other capital improvements.
- **pipeline service** means a service provided to a **user** by a **service provider** by means of a **pipeline**.
- **prospective user** has the meaning given in the **NGL**.
- **rate of return instrument** has the meaning given in the **NGL**.
- **reasonable assurance** has the meaning given in Section 6.2 of these **Guidelines**.
- **recovered capital method** means the asset valuation method set out in Rule 113Z(5)(b) of the **NGR**.
- **reference contract** means an existing or legacy contract used in the service provider's methodology to calculate **standing terms**.
- **related party** has the meaning given in **AASB 124**.

- **return of capital** has the meaning given in Section 2.6 of these **Guidelines**.
- **revenue** means income made by a **service provider** in the provision of **pipeline services**. To avoid doubt, **revenue** may include indirect (shared) **revenue** allocated to the **pipeline** in accordance with Section 2.3.6 of these **Guidelines**.
- **scheme pipeline** has the meaning given in the **NGL**.
- **service provider** has the meaning given in Section 8 of the **NGL** (and excludes **Part 18A service providers** which has a separate definition below).
- **shared supporting assets** are assets used to support the operation of multiple **pipelines** and/or other revenue-generating activities other than just the **pipeline**. Where an asset is used to support the operation of multiple **pipelines** or other revenue generating activities, a **service provider** must apportion the value of the asset as outlined in Section 2.5 of these **Guidelines**.
- **standing terms** has the meaning given in Rule 100A of the **NGR**.
- **standing price** has the meaning given in Rule 101C of the **NGR**.
- **user** has the meaning given in Section 5(2) of the **NGL**.
- **user access guide** means a guide to assist **users** or **prospective users** seeking access to **pipeline services**, as required under Rule 105C of the **NGR**.

The definitions below apply only to Part 18A facilities:

- **exemption** means an **exemption** granted by the **AER** in accordance with Division 3 of Part 18A of the **NGR**.
- **facility service** has the meaning given in Part 18A of the **NGR**.
- **injection service** refers to the injection of gas into a storage facility.
- **Part 18A information standard** has the meaning under rule 198D(2) of the **NGR**.
- **Part 18A facility** has the meaning given in Part 18A of the **NGR**.
- **Part 18A service provider** has the meaning of a service provider defined under Part 18A of the **NGR**.
- **prospective user** means a person who seeks or wishes to be provided with a **facility service** by means of a **Part 18A facility**.
- **standing price** has the meaning given in rule 198F(2)(b) of the **NGR**.
- **user** has the meaning given in Part 18A of the **NGR**.
- **withdrawal service** refers to the withdrawal of gas from a storage facility.

1.6 Other issues

1.6.1 Establish and maintain accounts

To enable **service providers** to meet the assurance requirements discussed in Section 6 of these **Guidelines**, appropriate internal accounting procedures must be established and maintained by the **service provider**. These internal accounting procedures must allow the **service provider** to demonstrate the extent and nature of transactions associated with each **pipeline**, and the allocation of applicable **revenues**, **costs** and assets.

1.6.2 Inflation

Service providers must report all values (including **pipeline assets** calculated under any methodology) in the **Part 10 financial reporting template** for the current or previous years in nominal terms. Values are not to be adjusted or updated for inflation.

1.6.3 Currency and GST

All financial information must be presented in Australian dollars. Where currency is required to be converted to Australian dollars, the requirements in the relevant **AASB** standard should be followed.

All amounts provided in the **Part 10 financial reporting template** are required to be provided in Australian dollars and be exclusive of goods and services tax (GST).

1.7 Publication

All **service providers** are required to publish the information specified in these **Guidelines**.

Where more than one entity meets the definition of **service provider**, each **service provider** is taken to be a member of a **service provider group** for that **pipeline**.

The members of a **service provider** group are required to publish the information specified in these **Guidelines** separately. However, by notifying the **AER** in writing, members of a **service provider** group may appoint one of the members to be the responsible **service provider** for the **pipeline**. The notification must include evidence that all members of the **service provider** group endorse the appointment and that the nominee has access to, and the legal right to publish, the required information.

Where a responsible **service provider** is appointed by the **service provider group**:

- the responsible **service provider** is the **pipeline** reporting entity for the relevant **pipeline**
- the responsible **service provider** must update the information about the **service provider** group if there is any change
- each member of the **service provider** group must procure and where necessary facilitate, the compliance of the responsible **service provider** with its obligations under these **Guidelines**
- each other member of the **service provider** group is exempt from the requirement to prepare publish and maintain the financial information and actual prices payable information specified in these **Guidelines**.

1.8 Exemptions

To avoid doubt, this section is for information only, and does not alter or qualify the **AER's** discretions or functions relating to **exemptions** under Part 10 of the **NGR**.

A **service provider** may apply to the **AER** for an **exemption** from the information disclosure and arbitration framework where the **pipeline** satisfies the relevant **exemption** criteria as stipulated in Rule 102 of the **NGR**. There are two categories of **exemptions** for **pipelines** as outlined in Table 1.

Table 1 Exemptions available under Part 10 of the NGR

Exemption category	Exemption criteria
Category 1: Exemption from obligation to publish information in relation to the pipeline	The pipeline is not a third-party access pipeline .
Category 2: Exemption from obligations to publish financial information, historical demand information and a cost allocation methodology under Rule 101D	The pipeline is a single user pipeline , or: <ul style="list-style-type: none"> the pipeline is a transmission pipeline, and the nameplate rating of the pipeline is less than 10 terajoules per day the pipeline is a distribution pipeline and the maximum daily capacity of the pipeline under normal operating conditions is less than 10 terajoules per day.

The **AER** determines whether or not an **exemption** is granted. **Exemptions** may be time-limited, subject to conditions and varied at the **AER's** discretion.

Exemptions do not apply automatically. To benefit from an **exemption**, the **service provider** for the **non-scheme pipeline** must apply to the **AER** under Division 2 of Part 10 of the **NGR** and be granted the **exemption**.

A **service provider** who wishes to apply for an **exemption** must complete the [application form](#) available on the **AER** website. All applications will be assessed by the **AER** in accordance with the **NGR**.

Non-scheme pipelines that hold an **exemption** will be identified in a public register of **exemptions** on the **AER's** website. The public register contains additional information including the location and/or part of the **pipeline**, the category of **exemption**, the date the **exemption** was granted and applicable conditions.

1.9 Commencement of publication

The timing for publishing information under Part 10 of the **NGR** is set out in Rule 101A(2) of the **NGR** and is shown in Table 2.

Table 2 Publication commencement schedule

Topic	Time to publish
Pipeline information, pipeline service information and standing terms	<ul style="list-style-type: none"> No later than 20 business days after the commissioning date of the pipeline No later than 20 business days after there is a change.
Service usage information and service availability information	By the last business day of the month following the month that the pipeline was commissioned.
Financial information, historical demand information and cost allocation methodology	By 5 months after the end of the financial year of the service provider immediately following 30 June 2024. <ul style="list-style-type: none"> For example, by 30 November 2025 if the financial year of the service provider ends 30 June 2025.
Actual prices payable information	No later than 20 business days after an access contract is entered into or varied, subject to qualification.

*Note: for the purposes of AER compliance and enforcement activities, we expect **service providers** to commence publishing service and access information, **standing terms** and actual prices payable information by 22 December 2023.*

1.10 Transitional arrangements

Service providers must comply with the transitional rules under Schedule 6 of the **NGR** shown in Table 3.

Table 3 Transitional rules

Topic and application	NGR rule and text
<p>Provision of information by light regulation pipelines:</p> <ul style="list-style-type: none"> applies to service providers that were required to publish information under Rule 36D of the NGR (as in force immediately before 2 March 2023) in relation to a pipeline. 	<p>For each financial year of the service provider that occurs before the designated financial year of the service provider:</p> <ul style="list-style-type: none"> continue to prepare, publish and maintain information in accordance with Rule 36A, Rule 36B(1)(c), Rule 36B(2) to (5) (inclusive, insofar as this rule requires the publication of financial information specified in Rule 36D), and Rule 36D (as in force immediately before 2 March 2023).
<p>User Access Guide: applies to all service providers of non-scheme pipelines.</p>	<p>Until the service provider has developed and published a user access guide under Rule 105C of the NGR in relation to the pipeline:</p> <ul style="list-style-type: none"> Rule 558 (as in force immediately before 2 March 2023) will continue to apply.
<p>Provision of Information relating to non-scheme pipelines:</p> <ul style="list-style-type: none"> applies to service providers that were required to publish information under Rule 555 of the NGR (as in force immediately before 2 March 2023) in relation to a pipeline. 	<p>For each financial year of the service provider that occurs before the designated financial year of the service provider:</p> <ul style="list-style-type: none"> continue to prepare, publish and maintain information in accordance with Rule 551, Rule 552(1)(c), Rule 552(2) to (6) (inclusive, insofar as this rule requires the publication of financial information specified in Rule 555), and Rule 555 (as in force immediately before 2 March 2023).

2 Financial statements

Rule 101D of the **NGR** requires a **service provider** to prepare and publish on its website financial information for each of its **pipelines**. Rule 103(2) of the **NGR** requires that these **Guidelines** provide for the publication of financial statements.

This section outlines the requirements, methodology and principles for publishing these financial statements.

2.1 How and where to publish financial statements

Service providers must complete the following financial statements in the **Part 10 financial reporting template**:

- Pipeline information
- Statement of revenue and expenses
- Statement of asset value – regulatory asset base and depreciated book value method
- Statement of asset value – recovered capital method
- Historical demand

and any other table in the **Part 10 financial reporting template** unless stated otherwise in these **Guidelines**.

Service providers must publish the **Part 10 financial reporting template** on their website in accordance with Section 5 of these **Guidelines**.

Service providers must publish the financial statements no later than 5 months after the end of the **designated financial year**, and no later than 5 months after the end of each **financial year** thereafter.

2.1.1 Pricing template

The **AER** must publish and maintain a pricing template under Rule 103A of the **NGR**. The **Part 10 financial reporting template** includes the pricing template which enables **users** or **prospective users** to transform the financial and historical demand information published by **service providers** into one or more cost-based pricing benchmarks.

Service providers must complete Table 6.1 of the pricing template.

*Note: where possible, values used in the pricing template are calculated directly from the information provided by **service providers** in the financial statements.*

2.1.2 Summary of information

The **Part 10 financial reporting template** provides a summary of the information provided in the financial statements. This includes relevant financial performance metrics.

Service providers are not required to directly input values for these calculations.

2.2 Pipeline information

Service providers must publish in Table 1.1 of the **Part 10 financial reporting template**:

- the **pipeline** location, including publishing a map showing the geographic location within the state or territory
- **pipeline** length in kilometres
- the number of contracted customers as at the last day of the **financial year**
- service type, being the classification of the **pipeline** as a transmission **pipeline** or a distribution **pipeline**
- the **pipeline** capacity, being:
 - for a transmission **pipeline**, the nameplate rating
 - for a distribution **pipeline**, the maximum daily capacity of the **pipeline** under normal operating conditions.
- construction date.

Service providers must show, in Table 1.2 of the **Part 10 financial reporting template**, which **pipeline services** are provided to non-related parties and related parties. This also includes any available **pipeline services** that are not currently provided to any **users** or **prospective users**.

The following **pipeline services** are specified:

Transportation services

- Firm forward haul transportation service
- Backhaul services
- Interruptible or as available transportation service

Stand-alone compression services

- Firm stand-alone compression service
- Interruptible or as available stand-alone compression service

Storage services

- Park services
- Park and loan services

Trading services

- Capacity trading services
- In pipe trading service

Other services

- Other.

Service providers must specify in Table 1.2 of the **Part 10 financial reporting template** each **pipeline service** that it classifies as ‘Other’ **pipeline service** and provide details of each of these ‘Other’ **pipeline services** in the basis of preparation.

2.3 Statement of revenues and expenses

The Statement of revenues and expenses in the **Part 10 financial reporting template** provides an overview of the **revenue** generated from **pipeline** operations and the **costs** associated with the **pipeline**. Revenues and expenses are summarised in Table 2.1 of the **Part 10 financial reporting template**. **Service providers** must complete Table 2.2.1 and Table 2.2.2 that provides the inputs into Table 2.1 of the **Part 10 financial reporting template**.

2.3.1 Revenues and costs by pipeline service

Revenues

Service providers must publish **revenues** by **pipeline service** in Table 2.4.1 of the **Part 10 financial reporting template**, for each of third-party transactions and **related party** transactions.

The **pipeline services** are specified in Section 2.2 of these **Guidelines**.

Expenses

Service providers must publish **costs** by **pipeline service** in Table 2.5.1 of the **Part 10 financial reporting template**, for each of third-party transactions and **related party** transactions.

The **pipeline services** are specified in Section 2.2 of these **Guidelines**.

2.3.2 Allocation principles – allocation of shared costs and revenues to the pipeline

This section sets out the principles, methodology and arrangements **service providers** must adopt to determine the allocation of **costs** and **revenues** to the **pipeline** including direct and indirect (shared) **costs** and **revenues** for the purpose of completing the Statement of revenues and expenses.

Each **service provider** is responsible for developing the detailed principles and policies for attributing **costs** and revenues to a **pipeline**.

The **service provider** must disclose in the basis of preparation:

- How direct **costs** and **revenues** have been identified, and how they are recorded and tracked in the financial management information systems.
- For shared **costs** and **revenues**:
 - the nature and details of the allocator or allocators used to allocate each cost and revenue item
 - the reason for selecting the allocator or allocators for each cost and revenue item including why the allocator or allocators used are the most appropriate available
 - the numeric quantity or percentage of the allocator or allocators applied to each cost and revenue item, including an explanation of how the numeric quantity or percentage has been calculated and the source of the data for determining this numeric quantity or percentage.

If the **service provider** owns more than one **pipeline**, the same allocation methodology should be used for each **pipeline**. If the **service provider** uses more than one allocation methodology, it must detail the reasons for this in the basis of preparation for each **pipeline**.

Service providers of a **scheme pipeline** must, as far as practicable, use the same allocation methodology adopted under the **pipeline's access arrangement** to allocate **revenues** and **costs** to the **pipeline**.

2.3.3 General principles for allocating costs to the pipeline

Service providers must follow the relevant principles for allocating **costs** specified in Rule 103(4) of the **NGR**:

- the detailed principles and policies used by a **service provider** to allocate **costs** between different **pipelines** must be described in sufficient detail to enable the **AER** to replicate reported outcomes through the application of those policies and principles
- the allocation of **costs** must be determined according to the substance of a transaction or event rather than its legal form
- only the following **costs** may be allocated to a **pipeline**:
 - **costs** that are directly attributable to the **pipeline**
 - **costs** that are not directly attributable to the **pipeline**, but which are incurred in providing services by means of the **pipeline**, in which case such **costs** must be allocated to the **pipeline** using an appropriate allocator, which should:
 - except to the extent the cost is **immaterial**, or a causal based method of allocation cannot be established without undue cost and effort, be causation based
 - to the extent the cost is **immaterial**, or a causal based method of allocation cannot be established without undue cost and effort, be an allocation that accords with a well-accepted cost allocation method.
- for any cost allocation method which is used – the reasons for using that method and the numeric quantity (if any) of the chosen allocator must be clearly described
- the same cost must not be allocated more than once
- the principles, policies and approach used to allocate **costs** must be consistent with any ring-fencing requirements under Chapter 4 Part 2 of the **NGL**.

2.3.4 General principles for allocating revenues to the pipeline

Service providers must follow these relevant principles for allocating revenues:

- the detailed principles and policies used by a **service provider** to allocate revenue between different **pipelines** must be described in sufficient detail to enable the **AER** to replicate reported outcomes through the application of those policies and principles
- the allocation of **revenue** must be determined according to the substance of a transaction or event rather than its legal form
- only the following **revenue** may be allocated to a **pipeline**:
 - all **revenues** which are directly attributable to the **pipeline**

- all **revenues** which are not directly attributable to the **pipeline**, including:
 - **revenue** received in providing services by means of the **pipeline**
 - **revenue** that is generated under agreements that do not separate the **revenue** by **pipeline**
 - any other **revenue** received by the **service provider** that does not relate to a specific **pipeline**

in which case such **revenue** must be allocated to the **pipeline** using an appropriate allocator, which should:

- except to the extent the **revenue** is **immaterial**, or a causal based method of allocation cannot be established without undue cost and effort, be causation based
 - to the extent the **revenue** is **immaterial**, or a causal based method of allocation cannot be established without undue cost and effort, be an allocation that accords with a well-accepted allocation method
- for any allocation method which is used – the reasons for using that method and the numeric quantity (if any) of the chosen allocator must be clearly described
 - the same **revenue** must not be allocated more than once
 - the principles, policies and approach used to allocate **revenue** must be consistent with any ring-fencing requirements under Chapter 4 Part 2 of the **NGL**.

2.3.5 Allocation principles – allocation of revenues and costs between pipeline services

This section sets out the principles, methodology and arrangements **service providers** should adopt to determine the allocation of **costs** and **revenues** to each **pipeline** service available on the **pipeline** for the purpose of completing the Statement of revenues and expenses.

The **pipeline services** are specified in Section 2.2 of these **Guidelines**.

Each **service provider** is responsible for developing the detailed principles and policies for attributing **costs** and **revenues** to each **pipeline service**.

In the basis of preparation, the **service provider** must disclose **revenues** and **costs** to be allocated to each **pipeline service**:

- the nature and details of the allocator or allocators used to allocate each cost and **revenue** item
- the reason for selecting the allocator or allocators for each cost and **revenue** item including why the allocator or allocators used are the most appropriate available
- the numeric quantity or percentage of the allocator or allocators applied to each cost and **revenue** item, including an explanation of how the numeric quantity or percentage has been calculated and the source of the data for determining this numeric quantity or percentage.

Service providers must, as far as is reasonably practicable, allocate **revenues** and **costs** to each **pipeline service** using a method that is consistent with the method used to allocate

revenues and **costs** to the **pipeline**, the general principles for allocating **revenues** and **costs** to the **pipeline** set out in this section of these **Guidelines** and the **AASB**.

If the **service provider** owns more than one **pipeline**, the same allocation methodology should be used for each **pipeline**. If the **service provider** uses more than one allocation methodology it must detail the reasons for this in the basis of preparation for each **pipeline**.

Service providers of a **scheme pipeline** must, as far as reasonably practicable, use the same allocation methodology adopted under the **pipeline's access arrangement** to allocate **revenues** and **costs** to each **pipeline service**. **Service providers** of a **scheme pipeline** cannot reallocate **revenues** and **costs** to another service that have been allocated to a particular service during an access arrangement period determined by the **AER**.

2.3.6 Depreciation principles

Service providers must calculate **depreciation** expenses in accordance with the methodology set out in Section 2.5 of these **Guidelines**.

Total **depreciation** expenses in the Statement of revenues and expenses must reconcile with total **depreciation** and amortisation of **pipeline assets** and shared assets in Table 3.3 of the **Part 10 financial reporting template**.

2.3.7 Related party transactions

Service providers must separately report **related party** transactions with a **related party** in the Statement of revenues and expenses and the basis of preparation.

2.3.8 Other principles

Service providers must:

- provide details of other **pipeline services** in the basis of preparation
- comply with revenue recognition principles in the **AASB**
- provide in the basis of preparation details and sources of inputs into the Statement of revenues and expenses
- allocate only a fair proportion of shared **revenues** and **costs** to each **pipeline**, in accordance with the cost allocation principles in this section of these **Guidelines**
- for shared **costs** that are paid to **related parties**, exclude any component of profit to the **related party**.

2.4 Statement of asset value – depreciated book value method

Service providers must publish the depreciated book value for all non-exempt **non-scheme pipelines**.

The Statement of asset value – **depreciated book value method** in worksheet 3.1 of the **Part 10 financial reporting template** provides an overview of **pipeline asset construction costs**, additions and improvements. **Service providers** are required to provide the carrying **costs** of all **pipeline assets** and **shared supporting assets** in Table 3.1.1 of the **Part 10 financial reporting template**.

Unless specified otherwise in these **Guidelines**, **service providers** must determine asset and liability values under the **depreciated book value method** in accordance with the **AASB**.

2.4.1 Arbitration not limited to these valuation techniques

Arbitrators may consider asset valuations published by **service providers** in the **Part 10 financial reporting template**, among other factors, in the event of an arbitration. However, arbitrators are not bound to rely on the depreciated book values published in accordance with these **Guidelines**.

2.4.2 Methodology

Service providers must publish asset values in the Statement of asset value – regulatory asset base and depreciated book value method:

- for **scheme pipelines**: in accordance with Part 9 of the **NGR**
- for **non-scheme pipelines**: using the depreciated book value method.

The value of an asset under the **depreciated book value method** is calculated as:

- the historical **construction cost** of the **pipeline asset** (or acquisition cost if the asset was acquired by the **service provider**)
- plus any **capital expenditure** or acquisitions during the period (at cost)
- less the value of any assets disposed of during the period
- less any **impairment** amounts
- less **depreciation** using the methodology set out in Section 2.5 of these **Guidelines**.

Where a **non-scheme pipeline** was previously under full regulation and a determination made on the asset values, the **service provider** may use the closing regulatory asset base as the opening asset value balance for the calculation under this method and rolled forward using the method set out above.

Revaluations due to acquisitions must be detailed in the basis of preparation, including the value and details of any goodwill, where applicable.

2.4.3 Pipeline assets

Service providers must publish information about **pipeline assets** disaggregated into the following asset classes:

- Pipelines
- Compressors
- City gates, supply regulators and valve stations
- Metering
- Odorant plants
- SCADA (Communications)
- Buildings

- Land and easements
- Other depreciable **pipeline assets**
- Leased assets
- Shared supporting assets allocated:
 - Shared property, plant and equipment
 - Shared leased assets
 - Inventories
 - Deferred tax assets
 - Other assets.

Shared supporting assets must be apportioned between the **pipeline** and other operations of the **service provider**. **Service providers** must explain the basis for this allocation in the basis of preparation.

The allocation of **shared supporting assets** for **non-scheme pipelines** must, as far as practicable, be made in accordance with the allocation principles set out in Section 2.3 of these **Guidelines**. Where it does not, a **service provider** must explain these differences in the basis of preparation.

Land and easements

Where land or easements do not have a fixed term life, these assets must be recorded at historical cost and not depreciated.

2.4.4 Capitalisation principles

Construction costs, acquisition **costs** and maintenance **costs** for **pipeline assets** can be capitalised where they meet the requirements for capitalisation in accordance with the **service provider's** cost allocation methodology and the **AASB**.

2.4.5 Asset life principles for non-scheme pipelines

The asset life principles for **non-scheme pipelines** apply to Table 3.1.1 of the **Part 10 financial reporting template** and are relevant to **depreciation costs** in the Statement of revenues and expenses and the Statement of asset value – regulatory asset base and depreciated book value method.

Service providers must publish the asset useful life for each asset class and provide reasons for choosing those useful lives in Table 3.3.1 of the **Part 10 financial reporting template**.

Asset lives by asset class are set out in Appendix A. If a **service provider** determines that a different asset life is considered appropriate, it must provide an explanation for using the alternative asset life in the basis of preparation.

2.4.6 Allocation principles

Service providers must allocate only a fair proportion of shared **revenues** and **costs** to each **pipeline**, in accordance with the cost allocation principles in Section 2.3 of these **Guidelines**.

2.4.7 Depreciation principles

Pipeline assets must be depreciated using accounting-based **depreciation** in accordance with the **AASB** and the asset lives set out in Table 3.3.1 of the **Part 10 financial reporting template**.

Upward revaluation of assets is not permitted for any category of assets disclosed. Where a **service provider** has revalued assets for reporting outside the scope of these **Guidelines**, it may disclose the revaluation amount and the reason for the revaluation in the basis of preparation.

Where **pipeline assets** are impaired, the reasons for **impairment** must be disclosed in Table 3.4.1 and Table 3.4.2 of the **Part 10 financial reporting template**. Further details can be provided in the basis of preparation. Reasons must be provided where **impairments** are reversed in the same manner. The reasons for reversal must be in accordance with the **AASB**.

Impairment losses should not be counted as shared expenses. **Impairment** losses may be recorded as other expenses in the **Part 10 financial reporting template**.

The asset lives used for **depreciation** must be consistent with asset life principles outlined in this section of these **Guidelines**.

For the purposes of these **Guidelines**, these **depreciation** principles do not apply to Table 4.1 of the **Part 10 financial reporting template**.

2.4.8 Related party transactions

If an asset is acquired from a **related party**, the **construction cost** or acquisition cost paid by the **related party** to an unrelated third party must be used.

2.4.9 Estimation principles

Service providers must take all reasonable steps to obtain historical information on **pipeline construction costs** and **capital expenditure**. **Service providers** may consider the following potential sources of information:

- where a **pipeline** has been acquired, requesting information from previous owners
- searches of historical media information
- where a **pipeline** was previously regulated, information requests to the relevant regulator
- Freedom of Information requests to the Australian Taxation Office
- ASX announcements
- ASIC register searches
- information requests to other parties involved in **pipeline** construction such as building contractors and materials suppliers.

If, having taken all reasonable steps to obtain the historic information, **service providers** are unable to locate the historical information, they may estimate the relevant information and **service providers** must document in the basis of preparation:

- the steps taken to locate the historical information
- how estimates were arrived at including any methods, principles, inputs, assumptions and rationale used to determine the estimate.

The following process must be followed and documented in the basis of preparation:

- where source documents are available, have they been considered
- if source documents have not been considered, the reasons why
- if source documents are unavailable, the process undertaken to attempt to locate them
- the methodology applied to arrive at the estimate used in the **Part 10 financial reporting template**, which must be consistent with this section of these **Guidelines**.

Service providers must report actual values when updating asset values in future years.

We note that **service providers** must use *best estimates* in accordance with the **access information standard** under Rule 101 of the **NGR**.

2.4.10 Initial costs of pipeline assets

If a pipeline was commissioned or acquired by **Service Providers**, the initial construction cost or acquisition cost or closing regulatory asset base value must be reported.

2.5 Statement of asset value – regulatory asset base

2.5.1 Regulatory asset base

Note: Indexation of the regulatory asset base for the purposes of Part 10 of the NGR is different to the methodology used in access arrangement determinations resulting in different revenue paths over time. Service providers are bound by the methodology in the current access arrangement determination rather than in these Guidelines in setting tariffs for reference services.

Service providers must publish the regulatory asset base value for **scheme pipelines** in accordance with Part 9 of the **NGR**.

The regulatory asset base must be published using nominal values and not indexed.

2.5.2 Arbitration not limited to these valuation techniques

Arbitrators may consider asset valuations published by **service providers** in the **Part 10 financial reporting template**, among other factors, in the event of an arbitration. However, arbitrators are not bound to rely on the regulatory asset base values published in accordance with these **Guidelines**.

2.5.3 Pipeline assets

Service providers must publish information about **pipeline assets** disaggregated into the asset classes set out in section 2.4.3 of these **Guidelines**.

The allocation of shared supporting assets for **scheme pipelines** must be consistent with the current access arrangement determination.

2.5.4 Capitalisation principles

Construction costs, acquisition **costs** and maintenance **costs** for **pipeline assets** can be capitalised where they meet the requirements for capitalisation in accordance with the **service provider's** cost allocation methodology and the **AASB**.

2.5.5 Asset life principles for scheme pipelines

The asset life principles for **scheme pipelines** apply to Table 3.2.1 of the **Part 10 financial reporting template** and are relevant to **depreciation costs** in the Statement of revenues and expenses and the Statement of asset value – regulatory asset base.

Service providers must publish the asset useful life for each asset class, which must be the same as those approved under the current access arrangement determination.

2.5.6 Allocation principles

Service providers must allocate shared **revenues** and **costs** to each **pipeline** in accordance with the current access arrangement determination.

2.5.7 Depreciation principles

Depreciation must be the same as regulatory **depreciation**, based on straight line **depreciation** in accordance with the current access arrangement determination. **Service providers** are not required to adjust **depreciation** to offset double-counting of inflation, as is the case under an access arrangement determination.

2.5.8 Related party transactions

If an asset is acquired from a **related party**, the **construction cost** or acquisition cost paid by the **related party** to an unrelated third party must be used.

2.6 Statement of asset value – recovered capital method

*Note: **service providers** are not required to publish recovered capital values for **scheme pipelines**.*

The purpose of the recovered capital value published under Part 10 of the **NGR** is to better inform users or prospective users to facilitate negotiations. **Service providers** are required to publish recovered capital values in accordance with the methodology set out in this section of these **Guidelines**. However, the preferred asset valuation methodology of a **service provider** may be different to the recovered capital method, and it is not bound by this methodology in setting tariffs.

2.6.1 Arbitration not limited to these valuation techniques

Arbitrators may consider asset valuations published by **service providers** in the **Part 10 financial reporting template**, among other factors, in the event of an arbitration. However, arbitrators are not bound to rely on the recovered capital values published in accordance with these **Guidelines**.

2.6.2 Criterion to publish asset values using the recovered capital method

Service providers must, for each **non-scheme pipeline**, publish recovered capital values that are consistent with the **asset valuation objective**.

The **asset valuation objective** is the objective of facilitating access to **pipeline services** provided by means of **non-scheme pipelines** on reasonable terms, which is taken to mean at prices and on other terms and conditions that, so far as practicable, reflect the outcomes of a workably competitive market.

Workable competition refers to a standard of competition which signifies that the *relevant* competitive process is capable of producing outcomes in terms of economic efficiency and consumer welfare that, at the very least, is considered satisfactory. We discuss workable competition in more detail in the *Pipeline information disclosure guidelines and Price reporting guidelines for Part 18A facilities – Explanatory note*.

Unless inconsistent with the **asset valuation objective**, **service providers** must use the **recovered capital method**, as defined in Rule 113Z(5)(b) of the **NGR** and this section of these **Guidelines**, to calculate recovered capital values.

2.6.3 Recovered capital value

In Table 4.1 of the **Part 10 financial reporting template**, **service providers** must provide:

- the construction date of the **pipeline assets**
- the **construction cost** of the pipeline assets, by year
- for shared assets:
 - if the asset is of a type constructed by **service providers**: the **construction cost**, by year
 - if the asset is not of a type constructed by **service providers** (for example, motor vehicle and information technology equipment): the acquisition cost, by year.
- any **capital expenditure** that has been incurred by year, at cost
- disposals of **pipeline assets**, by year, at cost
- the **return of capital** calculated using the methodology in this section of these **Guidelines**.

To avoid doubt:

- If a **service provider** acquires **pipeline assets**, it must use the actual historical **construction cost** (or, having taken all reasonable steps to obtain the historic information, **service providers** are unable to locate the historical information, an estimate of the historical **construction cost**) instead of the acquisition cost of the asset.
- Recovered capital values reported under this section of these **Guidelines** do not impact the asset values or **depreciation** reported in the Statement of asset value – depreciated book value method or the Statement of revenues and expenses.
- Unless otherwise stated in this section of these **Guidelines**, the methodology and approach taken to calculate recovered capital values in this section should be considered in isolation from the guidance material in Section 2.4 of these **Guidelines**.

2.6.4 Recovered capital method

The value of an asset under the **recovered capital method** must be calculated in accordance with Rule 113Z(5)(b) of the **NGR**:

- the cost of construction of the **pipeline** and **pipeline assets** incurred before commissioning of the **pipeline** (including the cost of acquiring easements and other interests in land necessary for the establishment and operation of the **pipeline**)
- plus the amount of **capital expenditure** since the commissioning of the **pipeline**
- less the **return of capital** recovered since the commissioning of the **pipeline**
- less the value of **pipeline assets** disposed of since the commissioning of the **pipeline**.

For clarity, the **recovered capital method** is used to calculate the capital that has already been recovered by the **service provider**, expressed formulaically as follows:

$$\begin{aligned} \text{Value of Capital Base}_t &= \text{Construction Cost}_0 + \sum_{i=1}^t \text{Capex}_i - \sum_{i=1}^t \text{Return of Capital}_i \\ &\quad - \sum_{i=1}^t \text{Asset Disposals}_i \end{aligned}$$

where

$$\begin{aligned} \sum_{i=1}^t \text{Return of Capital}_i &= \\ &\left[\sum_{i=1}^t \text{Revenue}_i - \left(\sum_{i=1}^t \text{Opex}_i + \sum_{i=1}^t \text{Return on Capital}_i + \sum_{i=1}^t \text{Net Tax Liabilities}_i \right) \right] \end{aligned}$$

When, under the **recovered capital method**, the value of **capital base** in a given year is equal or less than zero, then the value of the **capital base** is deemed to be zero for that year.

Service providers may include the present value of any residual value for the reporting year in the capital base under the recovered capital method.

2.6.5 Return of capital

For the purposes of this section of these **Guidelines**, the term **return of capital** means the change in the economic value of the asset and is equal to the difference between:

- the revenue earned by the **service provider**
- the **costs** incurred by the **service provider**, where **costs** include **operating expenditure**, net tax liabilities and a return on capital.

To calculate the **return of capital** for **pipeline assets**, the **service provider** will require, for each year following the construction of the asset:

- actual revenue, including shared revenues, earned by the **service provider** from the provision of all services by the **pipeline**
- **operating expenditure**, including shared **costs**, incurred by the **service provider**, for the provision of all services by the **pipeline**
- net tax liabilities incurred by the **service provider** allocated to the **pipeline**

- or, where net tax liabilities cannot be determined, the **service provider’s** best estimate of net tax liabilities
- if a **service provider** uses a benchmark tax rate to estimate net tax liabilities it must explain:
 - why it was unable to calculate actual net tax liabilities
 - how it calculated the benchmark tax rate including providing the methodology used (including, where relevant, how it accounted for tax liability on intangible assets)
 - why the benchmark tax rate is the best estimate of net tax liabilities actually incurred by the **service provider** for the provision of **pipeline services** on that **pipeline**.
- the return on capital required by the **service provider** in each year, which will require information on:
 - the closing value of the **capital base** in each year
 - the rate of return to be applied to the closing value of the **capital base** from the immediately preceding year, which should be determined for each year and should be commensurate with the prevailing conditions in the market for funds and reflect the risks borne by the **service provider** in providing **pipeline services**.

Service providers must document the source of this information in the basis of preparation.

2.6.6 Return on capital

Service providers of **non-scheme pipelines** must use the Sharpe-Lintner capital asset pricing model following a similar approach to that set out in the **AER’s rate of return instrument** and updated from time to time. This approach promotes consistency in calculating the return on capital between different **pipelines** and recognises differences in systematic risks between **pipelines** and over time.

The following parameters are specified:

- the use of a nominal vanilla weighted-average cost of capital
- for current and forward estimates, the market risk premium from the **AER’s rate of return instrument** current at the end of the **financial year** being reported
- for historical estimates, the historical market risk premium previously published by the **service provider** to calculate the return on capital, or where a **service provider** has not previously published a historical market risk premium:
 - before 6 October 1998: an estimate of the market risk premium that is based on excess returns over a sufficiently long period, ending on or near to the **financial year** of the historical estimate, that the **service provider** considers provides for a reasonable estimate.
 - From 6 October 1998 to 17 Dec 2018: the market risk premium from the most recently made Australian Competition and Consumer Commission (**ACCC**) or **AER** regulatory gas decision at the time of the end of the regulatory year being reported for (from the list of decisions in Appendix D).

- from 18 Dec 2018: the market risk premium from the **AER's rate of return instrument** as were applied at the end of the **financial year** for which a historical market risk premium is required
- an equity beta that is estimated for the **pipeline** at the appropriate gearing ratio that reflects the **service provider's** estimated systematic risk of the **pipeline's** equity given the **pipeline's** capital structure
- estimate of the **pipeline** gearing ratio reflecting the **service provider's** historical gearing over time. Where an estimate cannot be determined for any year ending after 6 Oct 1998, the estimate should be calculated as follows:
 - From 6 October 1998 to 17 Dec 2018: the gearing ratio from the most recently made **ACCC** or **AER** regulatory gas decision at the time of the end of the regulatory year being reported for (from the list of decisions in Appendix D)
 - From 18 Dec 2018: the gearing ratio from the **AER's rate of the return instrument** current at the end of the **financial year** being reported
- the risk-free rate (for use in the Sharpe-Lintner capital asset pricing model and cost of equity) estimated shortly prior to the commencement of the year for which the weighted-average cost of capital is being set
- a cost of debt for each year that reflects the **service provider's** actual portfolio cost of debt for that year
- the value of gamma (imputation credits):
 - before 1987: zero
 - from 1987 to 5 Oct 1998: an estimate the service provider considers is a reasonable estimate of the utilisation value to shareholders of imputation credits
 - from 6 October 1998 to 17 Dec 2018: the value of imputation credits from the most recently made **ACCC** or **AER** regulatory gas decision at the time of the end of the regulatory year being reported for (from the list of decisions in Appendix B)
 - from 18 Dec 2018: the value of imputation credits from the **rate of return instrument** current at the end of the **financial year** being reported.

Service providers must demonstrate how they arrived at these values, including providing all relevant models, parameters, calculations, and allocation methods in their basis of preparation.

2.6.7 Decommissioning and other residual values

Service providers must provide in the basis of preparation details about any residual values (for example, decommissioning and rehabilitation **costs** and salvage value) included in the **capital base**, including:

- the present value of the residual values included in the **capital base** for each applicable asset
- the methodology used to estimate residual values, including providing all relevant models, parameters, calculations and allocation methods

- rationale for estimates about decommissioning and rehabilitation timing and scope of decommissioning and rehabilitation works that the **service provider** expects it will be required to undertake
- providing references to any legislation and historical examples considered by the **service provider** to estimate decommissioning and rehabilitation works and any other negative residual values.

2.6.8 Revaluation of assets

Service providers must not upwardly revalue assets for any category of assets disclosed.

If a **service provider** has revalued assets for reporting outside the scope of these **Guidelines**, these values, and the reasons for revaluation, may be disclosed in the basis of preparation.

2.6.9 Allocation principles

Service providers must allocate only a fair proportion of shared **revenues** and **costs** to each **pipeline**, in accordance with the cost allocation principles in Section 2.3 of these **Guidelines**.

2.6.10 Estimation principles

Where a **service provider** has used estimates in calculating recovered capital values, it must follow the estimation principles in Section 2.4 of these **Guidelines**.

2.6.11 Alternative asset valuation methods

There may be circumstances where the **recovered capital method** overstates or understates the asset value. For example, if the **pipeline** is sold for a price that is below the recovered capital value, then a lower valuation may be appropriate (i.e. because the asset value has been written down with the prior shareholders bearing the cost of the write down).

If, in accordance with Rule 113Z(5) of the **NGR**, a **service provider** determines that an asset valuation using the **recovered capital method** is inconsistent with the **asset valuation objective**, it must use an **alternative asset valuation method** that is consistent with the **asset valuation objective**. We expect the **service provider** to use an **alternative asset valuation method** that reflects the approach that would apply if the **pipeline** was fully regulated.

Where a service provider uses an alternative asset valuation method, it must:

- demonstrate in the basis of preparation that an asset valuation using the **recovered capital method** is inconsistent with the **asset valuation objective**
- calculate and publish asset values using an **alternative asset valuation method**
- provide details in the basis of preparation about the **alternative asset valuation method**, including:
 - the methodology, including providing all relevant models, parameters, calculations, and allocation methods used in the valuation, being sufficient for the **AER** to replicate
 - the source and basis for assumptions and inputs used in the calculation

- where available, relevant historical examples of where the alternative methodology has been relied upon (for example, by a relevant regulator)
- an explanation demonstrating that the **alternative asset valuation method** is consistent with the **asset valuation objective** and is the best estimate in the circumstances.

Unless inconsistent with the **asset valuation objective**, we consider that the best approach is for the **service provider** to use the lesser of the actual historical **construction cost** (or, having taken all reasonable steps to obtain the historic information, the **service provider** is unable to locate the historical information, an estimate of the historical **construction cost**) or the acquisition cost. We do not consider that a depreciated replacement cost of the asset is appropriate to set the initial capital base.

2.6.12 Reconciliation of asset valuation methods

Service providers must qualitatively explain the difference in the total asset value using the **depreciated book value method** and the **recovered capital method**, or any **alternative asset valuation method** that the **service provider** publishes, in the basis of preparation.

Service providers must quantitatively explain any difference in the following values using the **depreciated book value method** and the **recovered capital method**, or any **alternative asset valuation method** that the **service provider** provides, in the basis of preparation:

- initial **construction costs**, unless the **service provider** acquired the **pipeline**
- additions
- capitalised maintenance or improvements
- disposals

for each of **pipeline assets** and **shared supporting assets** allocated.

The explanations provided must be at a sufficient level of detail to enable **users** or **prospective users** to understand the differences in asset values between the **depreciated book value method** and the **recovered capital method**, or any **alternative asset valuation method** that the **service provider** publishes.

2.6.13 Major capital projects and pipeline expansions and extensions

*Note: **service providers** must publish information about major capital projects and **pipeline expansions and extensions capital expenditure** for both **scheme** and **non-scheme pipelines**.*

Service providers must report in Table 4.1.1 of the **Part 10 financial reporting template**:

- **capital expenditure** for all capital projects after the **pipeline commissioning date** that exceed 5 per cent of the **construction cost** of the **pipeline**
- **capital expenditure** for all **pipeline** expansions and extensions after the **pipeline commissioning date**, regardless of value.

Service providers must report in Table 4.1.2 of the **Part 10 financial reporting template**:

- planned **capital expenditure** for all **pipeline** expansions and extensions that have reached the **final investment decision** stage, regardless of value or expected **commissioning** date.

For all completed or planned **pipeline** expansions and extensions, **service providers** must publish the following information in the basis of preparation for each transmission **pipeline**:

- a description of the **pipeline** extension or expansion and its location on the existing **pipeline**
- the type of capacity extension or expansion, the nameplate rating (or, for a distribution **pipeline**, the maximum daily capacity of the **pipeline** under normal operating conditions) of the capacity extension or expansion (in gigajoules per day) and date (or expected date) of commission
- the direct **capital expenditure**, incremental operating **costs** and details about changes in shared **costs**, including how they are allocated to the **pipeline services** or the capacity extension or expansion
- the expected useful life of the capacity extension or expansion and component assets.

To avoid doubt, planned **pipeline** expansions and extensions means projects that have reached the **final investment decision** stage.

2.6.14 Recovered capital values under Part 23

The following principles apply for recovered capital values that were published under the previous Part 23 guidelines:

- Where the asset values used to calculate the previous Part 23 recovered capital values have been based on construction costs, these recovered capital values may be grandfathered.
- Where the asset values used to calculate the previous Part 23 recovered capital values have not been based on construction costs, pipeline service providers must recalculate the recovered capital values based on construction costs (or a best estimate if actual construction costs are not available).

2.7 Historical demand

Service providers must publish historical demand information in Tables 5.2 and 5.3 of the **Part 10 financial reporting template**.

2.7.1 Information requirements

Service providers must publish, on a pipeline-by-pipeline basis for each **financial year**:

- daily contracted firm capacity
- daily utilised capacity
- daily average utilised capacity by **pipeline service**.

Historical demand information must be publicly available for a period of 5 years after the date on which the information is first published.

In accordance with Rule 101A(3)(b) of the **NGR**, a **service provider** may, where the information is also required to be provided by the **service provider** to Australian Energy

Market Operator (**AEMO**) for publication on a **Gas Bulletin Board**, comply with this requirement by providing a publicly available link on its website to the part of the **Gas Bulletin Board** where the information is to be located.

If a **service provider** nominates to provide a publicly available link to the **Gas Bulletin Board** it must publish this link in the location provided for in Table 5.1 of the **Part 10 financial reporting template**.

Service providers must describe the methodology used to collect and aggregate the historical demand data, including how volumes were metered or estimated and any adjustments to the raw data.

2.7.2 Providing estimates

In the case that daily average utilised capacity by **pipeline service** is not known, **service providers** must allocate total daily average utilised capacity to each **pipeline service**, having regard to any relevant allocation principles and estimation principles in Section 2.4 of these **Guidelines**.

2.8 Basis of preparation

Service providers must publish a basis of preparation that must provide information to support the content of the **Part 10 financial reporting template** and other information.

The basis of preparation must be published at the same time and in the same location on the **service provider's** website as the **Part 10 financial reporting template**.

The purpose of the basis of preparation is to help **users or prospective users** understand and assess the assumptions, formulas and procedures underpinning the prescribed transparency information published by **service providers**.

The basis preparation sets a foundation for understanding:

- the sources of financial information published
- the methodologies used by the **service provider**
- rationale and calculations behind assumptions
- how the **service provider** derived any estimates.

2.8.1 Basis of preparation template

Service providers must complete the standardised basis of preparation template published and revised by the **AER** from time to time.

Service providers must prepare the basis of preparation in accordance with these **Guidelines**. Appendix C provides an overview of the required information for the basis of preparation. **Service providers** are encouraged to use this table to identify the requirements that are applicable to their circumstances. Instructions for the required information for the basis of preparation are also included in the relevant sections of these **Guidelines**.

2.9 Cost allocation methodology

Service providers must publish the cost allocation methodology used for each of its **pipelines**, which must:

- be consistent with the cost allocation principles set out in Section 2.3 of these **Guidelines** and the principles set out in Rule 103(4) of the **NGR**
- reflect the allocation method used by the **service provider** to allocate **costs** to the pipeline in the Statement of revenues and expenses
- include detailed principles and policies to be used for attributing **costs** directly to or allocating **costs** between **pipelines**, which much include the attribution or allocation of **costs** relating to any **related party** transactions
- contain sufficient detail to enable the **AER** to replicate the allocation of **costs** to the **pipeline**
- include a version number and date of issue of the document
- include a description of the **service provider's** corporate and operational structure to enable the **AER** to understand how the **service provider** is organised to provide **pipeline services**.

3 Standing terms

*Note: **service providers** are not required to publish Standard Operational Transport Service Agreements under Part 10 of the **NGR**.*

Rule 101C of the **NGR** requires a **service provider** for a **pipeline** to publish the **standing terms** for each **pipeline service**, including the methodology and inputs used to calculate **standing prices** and any other information specified by the **AER**.

This section sets out the information **service providers** are required to disclose when publishing **standing terms**, to provide transparency for **users or prospective users** to assess the reasonableness of a **service provider's** offer and negotiate with them on an informed basis.

3.1 Methodology

Service providers must publish **standing terms** for each **pipeline service** in accordance with Rule 101C of the **NGR** and the **standing price** principles in Section 3.2 of these **Guidelines**.

For the purposes of this section of these **Guidelines**, a **pipeline service** means a service offered by means of the **pipeline** as identified by the **service provider** in its **standing terms**, which must reflect the services available to **users or prospective users** and be consistent with Rule 100A(2) and Rule 100A(3) of the **NGR**.

3.2 Standing price principles

Service providers must publish a level of information and detail that is sufficient to enable **users or prospective users** to:

- replicate the calculations used in the methodology to arrive at the **standing price**
- understand how the **standing price** reflects the methodology used to calculate it.

Service providers must explain how the inputs were calculated or selected, including any reasoning, assumptions and judgements. At a minimum, the information must include:

- a description of the calculations or a mathematical representation of the calculations used to calculate the **standing price**
- a description of all inputs and/or numerical input values used to calculate the **standing price**
- a detailed description or, where relevant, a mathematical representation of how those input values were calculated, derived or chosen
- an explanation of why the inputs used were chosen and why they are appropriate in the circumstances, and any relevant supporting analysis or evidence.

If a **service provider** amends its **standing price** methodology, it must (in addition to the above):

- explain why it has amended its **standing price** methodology (in the same document)
- describe the changes made to its **standing price** methodology (in the same document)

- maintain a copy of its historical **standing price** methodology on its website for ease of comparison.

If a cost-based approach is used where the inputs or input values differ from the information provided in the **Part 10 financial reporting template**, a **service provider** must provide a brief explanation on why they are different.

3.3 Different pricing methodologies

Service providers must ensure that the information provided in the **standing terms** is tailored to the methodology and approach taken by the **service provider** in calculating its **standing price**, such that **users or prospective users** can understand the methodology chosen, the inputs and input values (and why they were chosen), and replicate calculations using that methodology.

This section sets out the expected minimum level of information that **service providers** must publish under different methodologies used to derive the **standing price** to satisfy the **standing price** principles. **Service providers** are expected to provide an equivalent level of detail for **standing price** methodologies that do not fit within these categories.

3.3.1 Benchmarking approach

Where a benchmarking approach is used to calculate its **standing prices**, the **service provider** must, where applicable, provide:

- details about the types of prices and contracts used to calculate the benchmark
- the number of contracts considered
- how the price was calculated from the **reference contracts** (including adjustments made)
- the range of prices used to derive the benchmark price.

3.3.2 Cost-based approach

Where a cost-based approach is used to calculate **standing prices**, the **service provider** must, where applicable, provide:

- a description of the model, calculations or mathematical representation of the calculations
- inputs used to derive the asset values, **costs**, prices and forecast demand.

3.3.3 Adjustments to foundation prices or regulated tariffs

Where the approach to calculating **standing prices** involves adjusting from foundation tariffs or regulated tariffs, the **service provider** should provide a detailed explanation of the method used to make each adjustment to the original price, the reason for adjustment and the adjustment value.

3.3.4 Legacy Contracts

If the **standing price** methodology is described by referring to a **reference contract**, **service providers** must, where applicable, provide the following additional information about the **reference contracts** to sufficiently describe their **standing price** methodology:

- the number of **reference contracts** that were considered

- characteristics of the **reference contracts**, such as when the **reference contracts** were negotiated, the **pipeline services** and contracted capacity negotiated under these contracts, and any special conditions included in these contracts
- the mathematical representation of how the **standing price** is calculated using the **reference contract** prices
- what adjustments, including inflation escalators, **service providers** made to the **reference contract** prices to derive the **standing price**
- the range of prices derived from these **reference contracts** and where relevant, an explanation of why the **standing price** falls outside this range of prices.

3.3.5 Building block approach

If the **standing price** methodology is described with reference to the building block approach, **service providers** must, where applicable, provide the following additional information to sufficiently describe their standing methodology:

- a description of the approach taken to calculate each of the building blocks, for example the:
 - **capital base**, and roll-forward of the **capital base**
 - return on capital
 - **return of capital**
 - forecast **capital expenditure** forecast
 - forecast **operating expenditure**
 - corporate income tax.
- a description of all inputs and/or numerical input values to each building block used
- a detailed description or, where relevant a mathematical representation, of how each input to the building blocks were calculated, derived or chosen
- the building block model used to calculate the tariff.

4 Actual prices payable information

A **service provider** must publish actual prices payable information for each **pipeline service** that a **user or prospective user** has procured under an **access contract** with the **service provider**, in accordance with rule 101E of the **NGR**.

Service providers must publish actual prices payable information on their website in accordance with Section 5 of these **Guidelines** and may publish this information in a single document or in multiple documents, as appropriate.

4.1 Pipeline services spanning multiple pipelines

For any **pipeline service** spanning multiple **pipelines**, **service providers** must:

- publish the name of each **pipeline** that is used in providing the **pipeline service**
- publish actual prices payable information for each **pipeline** that is used in providing the **pipeline service**.

4.2 Receipt and delivery points

A **service provider** required to publish information under 101E(1)(g)(ii)(A):

- where prices and terms are the same—may combine the information for multiple receipt and delivery point combinations for each **pipeline service** in the **access contract** for which those prices and terms apply
- where prices and terms are not the same—must separately set out the information for each receipt and delivery point combination between which the **pipeline service** is provided or for each set of receipt and delivery point combinations that have the same prices and terms
- where the information is combined for multiple receipt and delivery point combinations—must identify each receipt and delivery point combination in the **access contract** for which those prices and terms apply.

4.3 Exception to publishing actual prices payable information

A **service provider** is not required to publish actual prices payable information for any **access contracts** where the gas procured is less than 10 terajoules per year.

A **service provider** of a **scheme pipeline** is not required to publish actual prices payable information if the **service provider**:

- publishes on its website information about the number of **users or prospective users** using each reference service
- updates that information whenever there is a variation to that number.

5 How and where to publish information

This section sets out how and where **service providers** publish on their website information required under Part 10 of the **NGR** and these **Guidelines** and how they must provide this information to the **AER**.

5.1 Publishing requirements

5.1.1 Publishing principle

Information published under Part 10 of the **NGR**, and these **Guidelines**, must be easily accessible to **users** or **prospective users**.

5.1.2 Minimum requirements

Unless inconsistent with the publishing principle in Section 5.1.1, for all information that is required to be published by the **service provider** under Part 10 of the **NGR** and these **Guidelines**, a **service provider** must at a minimum:

- provide all information, or a direct link to the information (e.g., by way of hyperlink or menu item), on the home page of the **service provider's** website or the home page for the **pipeline**, as appropriate
- ensure that all information for each **pipeline** is readily accessible from a single webpage
- clearly identify Part 10 information by using clear labels and/or headings
- clearly state where any Part 10 information is not relevant or applicable in the **pipeline's** circumstances, rather than simply omitting it
- from time to time, **service providers** should ensure that all information and links to information provided on the website are up-to-date and links direct **users** or **prospective users** to the exact location of the relevant Part 10 information
- where the information is also required to be provided by the **service provider** to the **AEMO** for publication on a **Gas Bulletin Board**, by providing a publicly available link on its website and in the **Part 10 financial reporting template** to the part of the **Gas Bulletin Board** where the information is to be located.

5.1.3 How information is to be published

The following formats for publishing information are specified:

- service and access information
 - should be published in tabular form and may be published on the website or within a clearly labelled document, and include the date that the information was last updated
- **standing terms**
 - should be published in tabular form and may be published on the website or within a clearly labelled document, and include the date that the information was last updated
- financial information and historical demand information
 - must be published by means of the **Part 10 financial reporting template**, which may be updated from time to time and published on the **AER's** website

- basis of preparation
 - must be published by means of the basis of preparation template, which may be updated from time to time and published on the **AER's** website
- cost allocation methodology
 - should be published within a clearly labelled document, include the date that the information was last updated and published in the same location on the website as the **Part 10 financial reporting template**
- actual prices payable information
 - must be published within a clearly labelled document, in Excel or similar machine-readable format, or as agreed with the **AER**.

5.1.4 Provision of information to the AER

A **service provider** must give to the **AER** a copy of the following information after it is published on the **service provider's** website:

- financial information and historical demand information
- actual prices payable information.

This information must be provided to the **AER** in the format that it is published on the **service provider's** website, or as agreed with the **AER**.

5.2 Exemptions from publishing information

The **AER** determines whether or not an **exemption** is granted. **Exemptions** may be time-limited, subject to conditions and varied at the **AER's** discretion.

Exemptions do not apply automatically. To benefit from an **exemption**, the **service provider** for the **non-scheme pipeline** must apply to the **AER** under Division 2 of Part 10 and be granted the **exemption**.

A **service provider** is:

- only exempt from information disclosure requirements under Part 10 of the **NGR** where the **AER** has granted the **exemption**
- only exempt from publishing information specified in the relevant **exemption** category under Rule 102(4) of the **NGR**.

6 Certification

This section specifies the requirements for **service providers** to certify information published under Part 10 of the **NGR** and these **Guidelines**. Assurance relates to carrying out specified procedures to check that the information published by a **service provider** is true and fair.

Part 10 of the **NGR** require that these **Guidelines** specify how financial information, historical demand information and the cost allocation methodology are to be certified as being true and fair.

6.1 Access information standard

Service providers must prepare and maintain information published under Division 2 of Part 10 in accordance with the **access information standard**. The **access information standard** means, broadly, that the information:

- is not false or misleading
- is prepared, published and maintained in a manner that would reasonably be expected from an experienced and competent person
- in relation to a forecast or estimate:
 - is supported by a statement of the basis of the forecast or estimate
 - is arrived at on a reasonable basis
 - represents the best forecast or estimate possible in the circumstances.

6.2 Assurance obligations

Service providers must certify as true and fair financial information, historical demand information and the cost allocation methodology, which must comply with these **Guidelines**, the **NGR** and the Australian Auditing and Assurance Standards, as developed by the Auditing and Assurance Standards Board.

6.2.1 Financial information

Reasonable assurance is required for the following financial information:

- Statement of revenues and expenses
- Statement of asset value – regulatory asset base and depreciated book value method
- financial information provided in the basis of preparation directly supporting the information published under the Statement of revenues and expenses or Statement of asset value – regulatory asset base and depreciated book value method.

Reasonable assurance must be provided in accordance with the relevant auditing standard:

- *ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks, Accounts or Items of a Financial Statement*
- *ASA 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement.*

The audit report must include an opinion as to whether the financial information provided is a true and fair representation of the **service provider's** financial position with respect to the **pipeline**.

Please refer to Appendix D for assurance requirements associated with each tab in the **Part 10 financial reporting template**.

6.2.2 Asset valuation information other than published under the Statement of asset value – regulatory asset base and depreciated book value method

Limited assurance is required for recovered capital information, whether the **service provider** uses the **recovered capital method** or an alternative valuation methodology, in accordance with *ASRE 2405 Review of Historical Financial Information Other than a Financial Report*.

The assurance report (review) must include an opinion as to whether anything has come to the reviewer's attention that causes it to suggest that the information does not, in all **material** respects, present fairly the value of **pipeline assets** in accordance with the asset valuation methodology used by the **service provider**.

Please refer to Appendix D for assurance requirements associated with each tab in the **Part 10 financial reporting template**.

6.3 Supplementary information

Service providers may provide supporting information if required, in the basis of preparation or a separate document, to assure that the financial information provided is a true and fair representation of the **service provider's** financial position with respect to the **pipeline**.

If the supporting information is published in a separate document, it must be published at the same location on the **service provider's** website as the **Part 10 financial reporting template**.

Please refer to Appendix D for assurance requirements associated with each tab in the **Part 10 financial reporting template**.

6.3.1 Historical demand information

Limited assurance is required in accordance with *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

The assurance report (review) must include an opinion as to whether anything has come to the reviewer's attention that causes it to suggest that the information does not, in all **material** respects, present fairly the historical demand of the **pipeline**.

Please refer to Appendix D for assurance requirements associated with each tab in the **Part 10 financial reporting template**.

6.3.2 Cost allocation methodology

Limited assurance is required in accordance with *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

The assurance report (review) must include an opinion as to whether anything has come to the reviewer's attention that causes it to suggest that the cost allocation methodology does not, in all **material** respects, present fairly the cost allocation principles and methods of the **service provider**.

Please refer to Appendix D for assurance requirements associated with each tab in the **Part 10 financial reporting template**.

6.3.3 Previously certified information

Historical information that was previously certified as true and fair in accordance with these **Guidelines**, the **NGR** and the Australian Auditing and Assurance Standards:

- if unchanged, does not need to be certified again
- if changed, must be certified in accordance with this section of these **Guidelines**.

6.3.4 Persons to provide assurance

Assurance of the financial information must be undertaken by a person who:

- is a registered company auditor who is a member of the Institute of Chartered Accountants Australia (CA or FCA) or of CPA Australia (CPA or FCPA) that holds a Certificate of Public Practice
- is independent from the **service provider** and all its related bodies corporate – that is, not a principal, member, shareholder, officer, or employee of the **service provider** or its related entities
- is appointed for the purposes of expressing an opinion or conclusion on the audit or review requirements outlined in these **Guidelines**
- has experience in conducting financial, performance, operation or quality assurance audits or reviews of the gas **pipeline** industry
- understands the procedures and methodologies underlying the information provided.

7 Publication of user access guide

Service providers must publish a **user access guide** in accordance with these **Guidelines**. A **service provider** for a **pipeline** with a Part 10 Category 1 **exemption** is required to prepare and maintain a **user access guide**.

The **user access guide** must contain the information set out in Rule 105C(6) of the **NGR** and must include the **service provider's** interconnection policy for the **pipeline** in accordance with Rule 39(3) of the **NGR**.

Service providers must publish the **user access guide** for the **pipeline** no later than 20 business days after the **application date** for the **pipeline**. They must publish a revised version of the **user access guide** as soon as practicable after facts or circumstances that require the guide to be updated.

To avoid doubt, a **service provider** for a **pipeline** for which an **exemption** has been granted under Category 1 in Part 10 Division 2 Subdivision 2 of the **NGR** is not required to publish a **user access guide** in accordance with these **Guidelines** but must develop and maintain a **user access guide** in accordance with Rule 105C(1) of the **NGR**.

Service providers must publish the **user access guide** or provide a link to the **user access guide** (such as via the main menu) on the **service provider's** home webpage, or the home webpage of the relevant **pipeline**, as appropriate.

8 Compliance and enforcement

8.1 Maintaining compliance

Section 27 of the **NGL** requires the **AER** to monitor, investigate and enforce compliance with the **NGL**, **NGR** and Compliance Procedures and Guidelines. The **AER** has these roles in relation to the information disclosure requirements in Part 10, including financial information reporting in accordance with these **Guidelines**.

8.2 Reporting by the AER

The **AER** may publish reports from time to time about **service providers'** compliance with these **Guidelines**.

8.3 Complaints and investigations

The **AER** may, at any time, require a **service provider** to provide a written response to a complaint or concern the **AER** raises with the **service provider** about its compliance with these **Guidelines**, including where the **AER** has previously required the **service provider** to provide one or more written responses to the relevant complaint or concern.

8.4 Enforcement

Service providers must comply with these **Guidelines**. Under the **NGL**, if a **service provider** fails to comply with the disclosure requirements, the **AER** can:

- seek an administrative resolution, which may include a voluntary commitment by the **service provider** to rectify non-compliance; or
- institute civil proceedings in the Federal Court and seek penalties, an injunction or an order that the **service provider** cease or remedy the conduct.

9 Price reporting guidelines for a Part 18A facility

*Note: in this section, **Guidelines** refers to the price reporting guidelines published by the **AER** under Part 18A and amended from time to time.*

Under Part 18A of the **NGR**, **Part 18A service providers** are required to publish information that may help **users** or **prospective users** carry out a high-level assessment of the reasonableness of the **Part 18A service provider's standing price**, the offer to the **user** or **prospective user** and the terms and conditions associated with the **Part 18A facility**.

Part 18A requires **Part 18A service providers** to publish and maintain:

- **standing terms**
- actual prices payable information.

The compression and storage information disclosure framework, as articulated in Part 18A of the **NGR**, applies to all **Part 18A service providers**.

9.1 Other issues

9.2 Application of these Guidelines

Details about the application of these **Guidelines** are set out in **Section 1.3** of these **Guidelines**.

9.3 Establish and maintain accounts

Appropriate internal accounting procedures must be established and maintained by the **Part 18A service provider**. These internal accounting procedures must allow the **Part 18A service provider** to demonstrate the extent and nature of transactions associated with each **Part 18A facility**, and the allocation of applicable fees, **costs** and services.

9.4 Currency and GST

All financial information must be in Australian dollars. Where currency is required to be converted to Australian dollars, the requirements in the relevant **AASB** standard should be followed.

9.5 Publication

All **Part 18A service providers** are required to publish the information specified in Section 9 of these **Guidelines**.

Where more than one entity meets the definition of a **Part 18A service provider**, each **Part 18A service provider** is taken to be a member of a **Part 18A service provider** group for that **Part 18A facility**.

Members of a **Part 18A service provider** group are required to publish the information specified in Section 9 of these **Guidelines** separately. However, by notifying the **AER** in writing, members of a **Part 18A service provider** group may appoint one of the members to be the responsible **Part 18A service provider** for the **pipeline**. The notification must include evidence that all members of the **service provider** group endorse the appointment and that the nominee has access to, and the legal right to publish, the required information.

Where the **Part 18A service provider** group appoints a responsible **Part 18A service provider**:

- the responsible **Part 18A service provider** is the **pipeline** reporting entity for the relevant **pipeline**
- the responsible **Part 18A service provider** must update the information about the **Part 18A service provider** group if there is any change
- each member of the **Part 18A service provider** group must procure, and where necessary facilitate, the compliance of the responsible **Part 18A service provider** with its obligations under Section 9 of these **Guidelines**
- each other member of the **Part 18A service provider** group is exempt from the requirement to prepare publish and maintain the financial information and actual prices payable information specified in Section 9 of these **Guidelines**.

9.6 Exemptions

To avoid doubt, this section is for information only, and does not alter or qualify the **AER's** discretions or functions relating to **exemptions** under Part 18A of the **NGR**.

A **Part 18A service provider** may apply to the **AER** for an **exemption** from the disclosure requirements under Part 18A of the **NGR** where the **Part 18A facility** satisfies the relevant **exemption** criteria as stipulated in Rule 198I of the **NGR**. There is one category of **exemption** for Part 18A facilities as outlined in Table 4.

Table 4 Exemptions available under Part 18A of the NGR

Exemption category	Exemption criteria
The service provider for the Part 18A facility is exempt from the obligation to publish information under Division 2 in relation to the Part 18A facility .	The Part 18A facility is not a third-party access facility.

The **AER** determines whether or not to grant an **exemption**. **Exemptions** may be time-limited, subject to conditions and varied at the **AER's** discretion.

Exemptions do not apply automatically. To benefit from an **exemption**, the **service provider** for the **non-scheme pipeline** must apply to the **AER** under Division 3 of Part 18A and be granted the **exemption**.

A **Part 18A service provider** who wishes to apply for an **exemption** must complete the **application** form available on the **AER** website. The **AER** will assess all applications in accordance with the **NGR**.

Part 18A facilities that hold an **exemption** will be identified in a public register of **exemptions** on the **AER** website. The public register contains additional information including the location of the facility, each **pipeline** to which the facility is connected and the receipt or delivery points at which the facility is connected, the category of **exemption**, the date the **exemption** was granted and applicable conditions.

9.7 Part 18A Standing terms

Rule 198F of the **NGR** requires a **Part 18A service provider** to publish the **standing terms** for each **facility service**, including the methodology and inputs used to calculate **standing prices** and any other information specified by the **AER**.

Requirements to publish standing terms under Part 18A do not apply to standard Operational Transport Service Agreements as defined in the NGL.

This section sets out the information **Part 18A service providers** are required to disclose when publishing **standing terms**, to provide transparency for **users** or **prospective users** to assess the reasonableness of a **Part 18A service provider's** offer and negotiate with them on an informed basis.

9.7.1 Methodology

Part 18A service providers must publish **standing terms** for each **facility service** in accordance with Rule 198F of the **NGR** and the **standing price** principles in Section 9.7.2 of these **Guidelines**.

For the purposes of this section of these **Guidelines**, a **facility service** means a service offered by means of the **Part 18A facility** as identified by the **Part 18A service provider** in its **standing terms**, which must reflect the services available to **users** or **prospective users** and be consistent with Rule 198A(2) and Rule 198A(3) of the **NGR**.

9.7.2 Standing price principles

Part 18A service providers must publish a level of information and detail that is sufficient to enable **users** or **prospective users** to:

- replicate the calculations used in the methodology to arrive at the **standing price**
- understand how the **standing price** reflects the methodology used to calculate it.

Part 18A service providers must explain how the inputs are calculated or selected, including any reasoning, assumptions and judgements. At a minimum, the information must include:

- a description of the calculations or a mathematical representation of the calculations used to calculate the **standing price**
- a description of all inputs and/or numerical input values used to calculate the **standing price**
- a detailed description or, where relevant, a mathematical representation of how those input values were calculated, derived or chosen
- an explanation of why the inputs used were chosen and why they are appropriate in the circumstances, and any relevant supporting analysis or evidence.

If a **Part 18A service provider** amends its **standing price** methodology, it must (in addition to the above):

- explain why it has amended its **standing price** methodology (in the same document)
- describe the changes made to its **standing price** methodology (in the same document)
- maintain a copy of its historical **standing price** methodology on its website for ease of comparison.

To the extent that the following services are offered as separately priced services, **Part 18A service providers** must separately identify **standing prices** and **standing terms** for:

- injection capacity
- actual injection services used
- withdrawal capacity
- actual withdrawal services used
- storage capacity
- actual storage used
- vaporisation capacity
- vaporisation services used
- liquefaction capacity
- liquefaction services used
- compression capacity
- compression services used.

9.7.3 Different pricing methodologies

Part 18A service providers must ensure that the information provided in the **standing terms** is tailored to the methodology and approach taken by the **Part 18A service provider** in calculating its **standing price**, such that **users** or **prospective users** can understand the methodology chosen, the inputs and input values (and why they were chosen), and replicate calculations using that methodology.

This section sets out the expected minimum level of information that **Part 18A service providers** must publish under different methodologies used to derive the standing price to satisfy the standing price principles.

9.7.4 Benchmarking approach

Where a benchmarking approach is used to calculate its **standing prices**, the **Part 18A service provider** must, where applicable, provide:

- details about the types of prices and contracts used to calculate the benchmark
- the number of contracts considered
- how the price was calculated from the **reference contracts** (including adjustments made)
- the range of prices used to derive the benchmark price.

9.7.5 Cost-based approach

Where a cost-based approach is used to calculate **standing prices**, the **Part 18A service provider** must, where applicable, provide:

- a description of the model, calculations or mathematical representation of the calculations

- inputs used to derive the asset values, **costs**, prices and forecast demand.

9.7.6 Legacy contracts

If the **standing price** methodology is described by referring to a **reference contract**, **Part 18A service providers** must, where applicable, provide the following additional information about the **reference contracts** to sufficiently describe their **standing price** methodology:

- the number of **reference contracts** that were considered
- characteristics of the **reference contracts**, such as when the **reference contracts** were negotiated, the **pipeline services** and contracted capacity negotiated under these contracts, and any special conditions included in these contracts
- the mathematical representation of how the **standing price** is calculated using the **reference contract** prices
- what adjustments, including inflation escalators, **Part 18A service providers** made to the **reference contract** prices to derive the **standing price**
- the range of prices derived from these **reference contracts** and where relevant, an explanation of why the **standing price** falls outside this range of prices.

9.7.7 Building block approach

If the **standing price** methodology is described with reference to the building block approach, **Part 18A service providers** must, where applicable, provide the following additional information to sufficiently describe their standing methodology:

- a description of the approach taken to calculate each of the building blocks, for example the:
 - **capital base**, and roll-forward of the **capital base**
 - **return of capital**
 - forecast **capital expenditure** forecast
 - forecast **operating expenditure**
 - corporate income tax.
- a description of all inputs and/or numerical input values to each building block used
- a detailed description or, where relevant a mathematical representation, of how each input to the building blocks were calculated, derived or chosen.

9.8 Actual prices payable information

A **Part 18A service provider** must publish actual prices payable information for each **facility service** that a **user** has procured under a **contract** with the **Part 18A service provider**, in accordance with Rule 198G of the **NGR**.

To the extent that the following services are offered as separately priced services, **Part 18A service providers** must separately identify prices and terms for:

- injection capacity
- actual injection services used
- withdrawal capacity

- actual withdrawal services used
- storage capacity
- actual storage used
- vaporisation capacity
- vaporisation services used
- liquefaction capacity
- liquefaction services used
- compression capacity
- compression services used.

For each contract, a **Part 18A service provider** must identify the date the contract was first entered into as well as the most recent variation.

Where the service term of the contract does not run continuously between the start and end dates, the **Part 18A service provider** must specify the dates the service is actively being provided as well as the start and end dates.

A **Part 18A service provider** must also separately identify the components of the fixed and variable prices of the service to the extent they are separately identified in the contract. For example, if the variable price is separated into different prices of \$/GJ/day or \$/GJ for different volumes of gas.

The form of the disclosure document must allow for the aggregation of services across multiple contracts with the total contracted capacity and maximum daily quantity easily identifiable.

Part 18A service providers must publish actual prices payable information on their website in accordance with Section 4 of these **Guidelines** and must publish this information using the Actual prices payable template, as published and amended by the **AER** from time to time.

9.9 How and where Part 18A information is to be published

This section sets out the requirements about how and where **Part 18A service providers** publish Part 18A information on their website and how they provide this information to the **AER**.

9.9.1 Publishing requirements

Publishing principles

Information published under Part 18A of the **NGR** and Section 9 of these **Guidelines** must be easily accessible to **users** or **prospective users**. They must also allow **users** or **prospective users** to better understand and use the information to help them assess **Part 18A service providers'** price offers.

At a minimum, for all information that is required to be published by the **Part 18A service provider** under Part 18A of the **NGR** and Section 9 of these **Guidelines**, a **Part 18A service provider** must:

- provide all information, or a direct link to the information (for example, by way of hyperlink or menu item) on the home page of the **service provider's** website or the home page for the **Part 18A facility**, as appropriate, and:
 - ensure that all information is readily accessible from a single webpage
 - clearly identify Part 18A information by using clear labels and/or headings
 - clearly state where any Part 18A information is not relevant or applicable in the **Part 18A facility's** circumstances, rather than simply omitting it.
- from time to time, ensure that all information and links to information provided on the website are up-to-date and links direct **users** or **prospective users** to the exact location of the relevant Part 18A information.

How information is to be published

Standing terms should be published in tabular form and must be published on the **Part 18A service provider's** website within a clearly labelled document and include the date that the information was last updated. **Standing prices** and their relevant units must also be published within a clearly labelled document, in Excel or similar machine-readable format, or as agreed with the **AER**.

Actual prices payable information must be published on the website using the **Part 18A Actual prices payable template**.

Provision of information to the AER

A **Part 18A service provider** must give to the **AER** a copy of the actual prices payable information after it is published on the **Part 18A service provider's** website. This information must be provided to the **AER** in the format that it is published on the **Part 18A service provider's** website, or as agreed with the **AER**.

Exemptions from publishing information

The **AER** determines whether or not an **exemption** is granted. **Exemptions** may be time-limited, subject to conditions and varied at the **AER's** discretion.

Exemptions do not apply automatically. To benefit from an **exemption**, the **Part 18A service provider** for the **non-scheme pipeline** must apply to the **AER** under Division 3 of Part 18A and be granted the **exemption**.

A **Part 18A service provider** is:

- only exempt from information disclosure requirements under Part 18A of the **NGR** where the **AER** has granted the **exemption**
- only exempt from publishing information specified in the relevant **exemption** category under Rule 102(4) of the **NGR**.

9.10 Part 18A Certification

9.10.1 Part 18A information standard

Part 18A service providers must prepare and maintain information published under Part 18A in accordance with the **Part 18A information standard**. The **Part 18A information standard** means, broadly, that the information:

- is not false or misleading
- is prepared, published and maintained in a manner that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a **Part 18A facility** of the relevant type, acting with all due skill, diligence, prudence and foresight
- in relation to a forecast or estimate:
 - is supported by a statement of the basis of the forecast or estimate
 - is arrived at on a reasonable basis
 - represents the best forecast or estimate possible in the circumstances.

Appendix A – Pipeline asset lives

Pipeline asset category	Low	High
Distribution pipeline		
Pipelines	50	60
City gates, supply regulators and valve stations	30	50
Metering	15	30
Odorant plants	30	50
SCADA (Communications)	15	20
Buildings	40	50
Other depreciable pipeline assets	5	15
Shared supporting assets allocated	5	10
Shared property, plant and equipment	5	10
IT systems	5	10
Transmission pipeline		
Pipelines	60	80
Compressors	30	35
City gates, supply regulators and valve stations	30	50
Metering	30	50
Odorant plants	30	50
SCADA (Communications)	15	15
Buildings	80	80
Other depreciable pipeline assets	5	15
Shared supporting assets allocated	5	10
Shared property, plant and equipment	5	10
IT systems	5	5

* Please note, we have not assigned a standard asset life to some asset classes because:

- the assets allocated to those asset classes are not subject to depreciation; or
- the assets are leased and their lives should be defined as per the lease agreement.

Appendix B – List of past ACCC and AER gas decisions and rate of return instruments

Date	MRP	Gearing	Gamma	Decision
6 Oct 1998	6.5%	60% Debt	0.25	ACCC, Final Decision, Access Arrangement by Transmission Pipelines Australia Pty Ltd and Transmission Pipelines Australia (Assets) Pty Ltd for the Principle Transmission System. Available here
30 Jun 2000	6%	60% Debt	0.50	ACCC, Final Decision, Access Arrangement by AGL Pipelines (NSW) Pty Ltd for the Central West Pipeline. Available here .
12 Sep 2001	6%	60% Debt	0.50	ACCC, Final Decision, Access Arrangement proposed by Epic Energy South Australia Pty Ltd for the Moomba to Adelaide Pipeline. Available here
13 Nov 2002	6%	60% Debt	0.50	ACCC, Final Decision, GasNet Australia access arrangement revisions for the Principal Transmission System. Available here .
4 Dec 2002	6%	60% Debt	0.50	ACCC, Final Decision, Access Arrangement proposed by NT Gas Pty Ltd for the Amadeus Basin to Darwin Pipeline. Available here .
2 Oct 2003	6%	60% Debt	0.50	ACCC, Final Decision, East Australian Pipeline Limited Access arrangement for Moomba to Sydney Pipeline System. Available here .
20 Dec 2006	6%	60% Debt	0.50	ACCC, Final Decision, Revised access arrangement by APT Petroleum Pipelines Ltd for the Roma to Brisbane Pipeline. Available here .
22 Aug 2007	6%	60% Debt	0.50	ACCC, Final Decision, Access arrangement for the Dawson Valley Pipeline. Available here .
30 April 2008	6%	60% Debt	0.50	ACCC, Final Decision, Revised access arrangement by GasNet Australia (Operations) Pty Ltd and GasNet (NSW) Pty Ltd for the Principal Transmission System. Available here .
26 March 2010	6.5%	60% Debt	0.65	AER, Final Decision, Access arrangement proposal ACT, Queanbeyan and Palera. Available here .
26 March 2010	6.5%	60% Debt	0.65	AER, Final Decision, Access arrangement proposal Wagga Wagga natural gas distribution network. Available here .

Pipeline Information Disclosure Guidelines – October 2023

11 June 2010	6.5%	60% Debt	0.65	AER, Final Decision, Jemena Gas Networks Access arrangement proposal for the NSW gas networks. Available here .
17 June 2011	6%	60% Debt	0.25	AER, Final Decision, Envestra Ltd Access arrangement proposal for the SA gas network. Available here .
20 July 2011	6%	60% Debt	0.25	AER, Final Decision, N.T. Gas Access arrangement proposal for the Amadeus Gas Pipeline. Available here .
10 Aug 2012	6%	60% Debt	0.25	AER, Final Decision, APT Petroleum Pipeline Pty Ltd Access arrangement final decision Roma to Brisbane Pipeline. Available here
15 Mar 2013	6%	60% Debt	0.25	AER, Final Decision, Access arrangement final decision SPI Networks (Gas) Pty Ltd. Available here .
15 Mar 2013	6%	60% Debt	0.25	AER, Final Decision, Access arrangement final decision APA GasNet Australia (Operations) Pty Ltd. Available here .
3 June 2015	6.5%	60% Debt	0.4	AER, Final Decision, Jemena Gas Networks (NSW) Ltd Access Arrangement 2015-20. Available here .
26 May 2016	6.5%	60% Debt	0.4	AER, Final Decision, ActewAGL Distribution Access Arrangement 2016 to 2021. Available here .
26 May 2016	6.5%	60% Debt	0.4	AER, Final Decision, Amadeus Gas Pipeline Access Arrangement 2016 to 2021. Available here .
30 Nov 2017	6.5%	60% Debt	0.4	AER, Final Decision, Roma to Brisbane Gas Pipeline Access Arrangement 2017–22. Available here .
30 Nov 2017	6.5%	60% Debt	0.4	AER, Final Decision, Australian Gas Networks Victoria and Albury gas access arrangement 2018 to 2022. Available here .
Rate of return instruments				
17 Dec 2018	6.1%	60%	0.585	AER, Rate of return Instrument, Dec 2018. Available here .
24 Feb 2023	6.2%	60%	0.57	AER, Rate of return instrument, Feb 2023. Available here .

Appendix C – Overview of required information for basis of preparation for pipeline service providers

Type of information	Category	Required information
Financial information – general principles	Estimates	<p>Where an estimate is used in a financial statement:</p> <ul style="list-style-type: none"> the steps taken to locate the historical actual information how the estimate was arrived at including any methods, principles, inputs and assumptions that have been used to develop the estimate. where source documents are available, that they have been considered if source documents are not used, the reasons why if source documents are unavailable, the process undertaken to attempt to locate them the estimates applied and the rationale for determining a particular estimate.
	Related party transactions	Details of related party transactions.
	Allocating costs and revenues to the pipeline and to pipeline services	<ul style="list-style-type: none"> For allocation to the pipeline, how direct costs and revenues have been identified, and how they are recorded and tracked in the financial management information systems. For allocation to the pipeline or to pipeline services: <ul style="list-style-type: none"> The nature and details of the allocator or allocators used to allocate each cost and revenue item. The reason for selecting the allocator or allocators for each cost and revenue item including why the allocator or allocators used are the most appropriate available. The numeric quantity or percentage of the allocator or allocators applied to each cost and revenue item, including an explanation of how the numeric quantity or percentage has been calculated and the source of the data for determining this numeric quantity or percentage. Where a service provider uses more than one allocation methodology (whether allocating to the pipeline or to pipeline services), the reasons for this in the basis of preparation for each pipeline.
	Revaluation of assets	Where a service provider has revalued assets for reporting outside the scope of these Guidelines , it may disclose the revaluation amount and the reason for the revaluation in the basis of preparation.
Pipeline information	'Other' pipeline services	Details of each of the other pipeline services specified in Table 1.2 of the Part 10 financial reporting template .
	Revaluations due to acquisitions	Details, including the value and details of any goodwill, where applicable.

Type of information	Category	Required information
Statement of asset value – depreciated book value method	Allocation of shared supporting assets	<ul style="list-style-type: none"> The basis for this allocation of shared supporting assets. Where the allocation is not made in accordance with the allocation principles set out in Section 2.3 of these Guidelines, an explanation of these differences.
	Asset lives	Where an asset life for an asset class is different to that set out in Appendix B of these Guidelines , an explanation for using the alternative asset life.
	Impairments	Details may be provided in the basis of preparation.
Recovered capital	Return of capital	The source of revenues, costs , net tax liabilities and the rate of return to calculate the return on capital.
	Rate of return	How parameters were estimated, including provision of all relevant models, parameters, calculations, and allocation methods in their basis of preparation.
	Decommissioning and other residual values	<ul style="list-style-type: none"> The present value of residual values included in the capital base for each applicable asset. The methodology used to estimate residual values, including providing the relevant models, parameters, calculations and allocation methods. The rationale for estimates about decommissioning and rehabilitation timing and scope of decommissioning and rehabilitation works that the service provider expects it will be required to undertake. References to any legislation and historical examples considered by the service provider to estimate decommissioning and rehabilitation works or other negative residual values.
	Alternative asset valuation methodologies	<ul style="list-style-type: none"> An explanation demonstrating that an asset valuation using the recovered capital method is inconsistent with the asset valuation objective. Details of the alternative asset valuation method: <ul style="list-style-type: none"> the methodology, including providing all relevant models, parameters, calculations, and allocation methods used in the valuation, being sufficient for the AER to replicate the source and basis for assumptions and inputs used in the calculation where available, relevant historical examples of where the alternative methodology has been relied upon (for example, by a relevant regulator) an explanation demonstrating that the alternative asset valuation method is consistent with the asset valuation objective and the best estimate in the circumstances.
Asset valuation	Reconciliation of asset valuation methodologies	<ul style="list-style-type: none"> Qualitative explanation of the difference in the total asset value using the depreciated book value method and the recovered

Type of information	Category	Required information
		<p>capital method, or any alternative asset valuation method that the service provider publishes.</p> <ul style="list-style-type: none"> • Quantitative explanation of the difference in the following values using the depreciated book value method and the recovered capital method, or any other asset valuation method that the service provider provides: <ul style="list-style-type: none"> – initial construction costs, unless the service provider acquired the pipeline – additions – capitalised maintenance or improvements – disposals <p>for each of pipeline assets and shared supporting assets allocated.</p>
<p>Pipeline expansions and extensions</p>		<p>For all completed or planned pipeline expansions and extensions for each transmission pipeline:</p> <ul style="list-style-type: none"> • a description of the pipeline extension or expansion and its location on the existing pipeline • the type of capacity extension or expansion, the nameplate rating (or, for a distribution pipeline, the maximum daily capacity of the pipeline under normal operating conditions) of the capacity extension or expansion (in gigajoules per day) and date (or expected date) of commission • the direct capital expenditure, incremental operating costs and details about changes in shared costs, including how they are allocated to the pipeline services or the capacity extension or expansion • the expected useful life of the capacity extension or expansion and component assets.

Appendix D – Assurance obligations

Financial reporting template	Assurance required
Financial summary	No assurance required
Data visualisation	No assurance required
Pricing benchmarks summary	No assurance required
1. Pipeline information	No assurance required
2. Revenue and expenses	Reasonable assurance
2.1 Profit & Loss by component	Reasonable assurance
2.2 Allocation to services	Reasonable assurance
2.3 Revenue contributions	Reasonable assurance
2.4 Indirect revenue	Reasonable assurance
2.5 Shared expenses	Reasonable assurance
3.1 Depreciated Book Value	Reasonable assurance
3.2 Regulatory Asset Base	Reasonable assurance
3.3 Asset useful life	Reasonable assurance
3.4 Asset impairment	Reasonable assurance
3.5 Depreciation amortisation	Reasonable assurance
3.6 Shared supporting assets	Reasonable assurance
4. Recovered Capital	Limited assurance (<i>ASRE 2405 Review of Historical Financial Information Other than a Financial Report</i>)
4.1 Pipelines capex	Limited assurance (<i>ASRE 2405 Review of Historical Financial Information Other than a Financial Report</i>)
5. Historical demand	Limited assurance (<i>ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>)
6. Pricing template	No assurance required
Supplementary information	Assurance required
Basis of Preparation	Audit of financial information detailed in the Basis of Preparation
Cost allocation methodology	Limited assurance (<i>ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>)