

Attachment 1

Written Responses

Responses to the 2021 to 2026 Access Arrangement
Regulatory Information Notice

July 2020

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Overview

Australian Gas Networks (AGN) is required to respond to the 2021 - 2026 Access Arrangement (AA) Regulatory Information Notice (RIN) issued by the Australian Energy Regulator on Australian Gas Networks (AGN) (South Australia) (SA) gas distribution networks 28 February 2020 under the National Gas Law (NGL) with information relating to regulatory years from 2014/15 to 2025/26.

This document, and its associated attachments, set out AGN's RIN responses. The document is structured to mirror the structure of the RIN, as follows:

- Schedule 1 – General Requirements
- Schedule 2 – Reset Information
- Schedule 3 – Historical Information
- Schedule 4 – Prepare and Maintain Information
- Appendix E – Instructions

AGN's RIN documents and templates are included and summarised in below Table.

Table: AA RIN Attachments

RIN Document Number	Name
Attachment 1	Written Response
Attachment 2	Basis of Preparation
Attachment 3	Workbook 1 – Forecast Data (Consolidated information - Confidential)
Attachment 4	Workbook 1 – Forecast Data (Consolidated information - Public)
Attachment 5	Workbook 2 – Historical Data (Consolidated information - Confidential)
Attachment 6	Workbook 2 – Historical Data (Consolidated information - Public)
Attachment 7	Workbook 2 – Historical Data (Actual Information – Confidential)
Attachment 8	Workbook 2 – Historical Data (Actual Information – Public)
Attachment 9	Workbook 2 – Historical Data (Estimated Information - Confidential)
Attachment 10	Workbook 2 – Historical Data (Estimated Information - Public)
Attachment 11	Workbook 3 – Efficiency Carryover Mechanism (Consolidated information - Public)
Attachment 12	Workbook 3 – Efficiency Carryover Mechanism (Actual information - Public)
Attachment 13	Workbook 3 – Efficiency Carryover Mechanism (Estimated information - Public)
Attachment 14	Workbook 4 – Bill Impacts (Consolidated information – Public)
Attachment 15	Document Index
Attachment 16	Confidentiality Claims
Attachment 17	Audit opinions
Attachment 18	Statutory Declaration (Public)

Attachment 19 Statutory Declaration (Confidential)

Supporting documents Includes policies, models, reports, analyses, plans and certifications.

This RIN responses should be read in conjunction with AGN's 2021-2026 Final Plan. AGN's Final Plan consists of the Plan as well as the associated attachments.

1. Schedule 1 – General Requirements

1.1 General

Requirement	Response
1. Provide Information	
<p>1.1 Provide the information required in each <i>regulatory template</i> in the Microsoft Excel workbooks attached at Appendix A completed in accordance with:</p> <ul style="list-style-type: none"> (a) this <i>notice</i>; and (b) the instructions in Appendix E. 	<p>The regulatory templates have been populated in accordance with the requirements of the RIN. Please refer to RIN Attachments 3 -14.</p>
<p>1.2 For all information, other than <i>forecast information</i>, provide in accordance with this notice and the instructions in <i>Appendix E</i>, a <i>basis of preparation</i> demonstrating how the pipeline service provider has complied with this <i>notice</i> with respect to the information provided in each of the <i>regulatory templates</i>.</p>	<p>Refer to the Basis of Preparation document provided in RIN Attachment 2.</p>
<p>1.3 Where changes to the methodology for the allocation of costs have been made within the <i>current access arrangement period</i>, explain the changes and the effect of each change to the information reported in response to this notice.</p>	<p>There have been no changes to the methodology for the allocation of costs from a regulatory perspective within the current access arrangement period. Any regulatory cost allocation changes outlined in the supporting policy documents were made prior to 1 July 2016.</p>
<p>1.4 Provide material used for the purposes of preparing the <i>access arrangement proposal</i> including:</p> <ul style="list-style-type: none"> (a) all consultants' reports commissioned and relied upon in whole or in part; (b) all <i>material</i> assumptions relied upon; (c) a table that references each response to a paragraph in Schedule 2 of this <i>notice</i> and where it is provided in or as part of the <i>access arrangement proposal</i>; 	<p>AGN's Access Arrangement Proposal (Final Plan) includes:</p> <ul style="list-style-type: none"> (a) All consultants' reports relied on to develop AGN's AA proposal are included. Please refer to RIN Attachment 15; (b) A description of all material assumptions has been provided in response to clause 1.5; (c) This document includes a table of reference between Schedule 2 of the RIN and the AA proposal. Please refer to <i>Schedule 2 – Reset Information</i>. (d) A table of reference explaining the relationship between all documents submitted as part of AA proposal is included in the RIN Attachment 15.

Requirement	Response
<p>(d) a table that references each <i>document</i> provided in or as part of the <i>access arrangement proposal</i> and its relationship to other <i>documents</i> provided; and</p> <p>(e) each document identified in paragraph 1.4(d) must be given a meaningful filename in the form: [<i>pipeline service provider</i>]- [Author] – [title] – [date] – [public/confidential], where:</p> <p>(i) Author is the author of the file which if not the <i>pipeline service provider</i> may be, for example, a consultant or other <i>third party</i>;</p> <p>(i) Title provides a meaningful description of the content of document, with limited reliance on acronyms or cross references, for example “Appendix 1A” is not meaningful, but “Appendix 1A – Cost allocation method” is;</p> <p>(ii) Date is a relevant date associated with the file, generally the date the document was created;</p> <p>(iii) Public/confidential identifies if the file in its entirety can be published (public); or if it contains any information which is the subject of a claim for confidentiality in accordance with paragraph 2 of this Schedule (confidential).</p>	<p>(e) Please refer to the RIN Attachment 15. This table also includes the filename required by the RIN.</p>
<p>1.5 Provide for each <i>material</i> assumption identified in the response to paragraph 1.4(b):</p> <p>(a) its source or basis;</p> <p>(b) if applicable, its quantum;</p> <p>(c) whether, and how, the assumption has been applied and was taken into account; and</p>	<p>Material assumptions in relation to operating expenditure (opex) and capital expenditure (capex) are identified in the response to clause 5.1 of Schedule 1.</p>

Requirement	Response
<p>(d) the effect or impact of the assumption on the <i>capital and operating expenditure</i> forecasts in the <i>next access arrangement period</i> taking into account:</p> <p>(i) the actual expenditure incurred during the <i>current access arrangement period</i>; and</p> <p>(ii) the sensitivity of the forecast expenditure to the assumption.</p>	
<p>2. Confidential Information</p>	
<p>2.1 This clause applies to any information the <i>pipeline service provider</i> provides:</p> <p>(a) in response to Schedules 1, 2 and 3;</p> <p>(b) in an <i>access arrangement proposal</i> for the <i>next access arrangement period</i> (a <i>proposal</i>);</p> <p>(c) in a revision or amendment to a <i>proposal</i>; and</p> <p>(d) in a submission the <i>pipeline service provider</i> makes regarding a <i>proposal</i> or a revised or amended <i>proposal</i>; (together, the <i>pipeline service provider's</i> information).</p>	<p>AGN has applied clause 2.1 as required.</p>
<p>2.2 If the pipeline service provider wishes to make a claim for confidentiality over any of the pipeline service provider's information, the pipeline service provider must provide the details of that claim in accordance with the requirements of the AER's Confidentiality Guideline, as if it extended and applied to that claim for confidentiality.</p>	<p>AGN has made claims for confidentiality for information submitted as part of this RIN response and part of its Final Plan. The claims for confidentiality have been made in line with the AER's Confidentiality Guideline and are attached to this RIN response. Please refer to Attachment 1.9 of the Final Plan and RIN Attachment 16.</p>
<p>2.3 The pipeline service provider must provide any details of a claim for confidentiality in response to paragraph 2.2 at the same time as making the claim for confidentiality.</p>	<p>AGN's claims for confidentiality includes the relevant details at the time of making the claim.</p>

3. Resubmission of Information

- | | |
|--|----------------|
| <p>3.1 If the <i>pipeline service provider</i> is required to resubmit information provided under this <i>notice</i> in subsequent <i>regulatory years</i>, the <i>pipeline service provider</i> must provide:</p> <ul style="list-style-type: none"> (a) The relevant Microsoft Excel Workbook(s) fully populated with the latest submitted data and with revised information marked as amended using the 'Mark selection as AMENDED' tool within the Microsoft Excel Workbook(s); (b) the reason for the resubmission; (c) a statement as to whether or not the resubmitted information results in a <i>material</i> change in the <i>pipeline service provider's</i> response to this <i>notice</i>. | Not applicable |
| <p>3.2 If the <i>pipeline service provider</i> resubmits historical information which results in a material change to its response to this <i>notice</i>, the <i>AER</i> may request the <i>pipeline service provider</i> provide assurance over this information by:</p> <ul style="list-style-type: none"> (a) verifying the resubmitted information by way of a statutory declaration in accordance with Appendix B of <i>this notice</i>; and (b) provide the necessary <i>audit opinion report</i> and the <i>review conclusion statements</i> as applicable for the resubmitted information, prepared in accordance with the requirements set out in Appendix C of this <i>notice</i>. | Not applicable |
| <p>3.3 If the <i>AER</i> requests assurance over the resubmitted historical information in accordance with paragraph 11.2, such assurance information must be provided at the time the next annual response to this notice is due or on a date otherwise agreed to by the <i>AER</i>.</p> | Not applicable |

1.2 Assurance Requirements

Requirement	Response
4. Audit Opinion Reports and Review Conclusion Statements	
4.1 Provide the audit opinion report and review conclusion statements as applicable, prepared in accordance with the requirements set out in Appendix C.	Refer to the audit opinion report and other reports from the auditor provided in RIN Attachment 17.
4.2 Provide all reports from the auditor to the pipeline service provider’s management regarding the review conclusion statements and/or auditors’ opinions report or assessment.	Refer to the audit opinion report and other reports from the auditor provided in RIN Attachment 17.
5. Director Certification	
5.1 Provide, by the directors of the <i>pipeline service provider</i> , a certification of the reasonableness of the key assumptions relating to the methodology used for developing the <i>pipeline service provider’s operating expenditure</i> and capital expenditure forecasts.	AGN’s director has certified the reasonableness of the key assumptions, which underline the methodology AGN used to forecast its capex and opex. Please refer to Appendix 4.

2. Schedule 2 – Reset Information

2.1 General Requirements

Requirement	Response
1. Service Provider Details and Business Context	
Local agent of a service provider	AGN is not a foreign company (within the meaning of <i>the Corporations Act 2001</i> (Cth)), and as such has not appointed any local agent, within the meaning contemplated by s11 of the National Gas Law.
1.1 Provide all details of any local agent(s) of the pipeline service provider (s. 11 of the NGL).	
2. Background to the pipeline	
Pipeline and pipeline services	AGN does not provide pipeline services that are non-reference services.
2.1 For the <i>current access arrangement period</i> for each pipeline service provided by way of the <i>pipeline service provider's</i> gas distribution network that is not specified as a <i>reference service</i> in the <i>pipeline service provider's access arrangement proposal</i> , provide in the materials submitted to the <i>AER</i> :	
(a) the volume of gas distributed throughout the <i>gas distribution network</i> each <i>regulatory year</i> ; and	
(b) the number of <i>users</i> .	

2.2 Expenditure Requirements

Requirement	Response
3. Capital Expenditure	
3.1 The information required to be provided, prepared, kept or maintained in this part of the notice relates to all <i>pipeline services</i> , including both <i>reference services</i> and <i>non-reference services</i> .	Unless otherwise required by the RIN, our RIN response includes the information about pipeline services, however AGN (SA) has no historical or forecast capital expenditure related to non-reference services for the periods covered by this notice.

Requirement	Response
Capital expenditure in the <i>previous and current access arrangement period</i>	Refer to the completed Workbook 2 – Historical data provided in RIN Attachment 6.
<p>3.2 Provide <i>capital expenditure</i> at a <i>project</i> level and at a <i>capital expenditure</i> subcategory level in Workbook 2 – Historical data and Workbook 5 – Annual data, regulatory templates E2 to E6, E10, E12 and E13. Where data is either not available to the <i>pipeline service provider</i> or it is not practical to produce the data in the materials submitted to the <i>AER</i>:</p> <p>(a) explain why; and</p> <p>(b) provide data at the most disaggregated level available.</p>	<p>There are two subcategories of capital expenditure that could not be reported because the information is not available. Those were as follows:</p> <ul style="list-style-type: none"> • Table E4.1.3 – Meter Installation • Table E4.1.4 – Other Meter Replacement Capex <p>AGN and APA’s business systems record new and refurbished meter replacement capex but does not separately identify activities and costs for meter installation or other meter replacement capex. All meter replacement capex has been reported as either new or refurbished meters, which includes an element of installation and any other associated costs, which is the most disaggregated level available for this information.</p>
Capital expenditure in the <i>current access arrangement period</i>	3.3 (a) refer to the explanation of material differences between:
<p>3.3 Explain in the materials submitted to the <i>AER</i>:</p> <p>(a) in terms of the nature of the work undertaken (scope, scale or other deviation from proposed works), the volume and the cost (deviation in unit rates), any <i>material difference</i> for each <i>capital expenditure purpose</i> between:</p> <p>(i) the <i>capital expenditure</i> approved by the <i>AER</i> and the actual and/or estimated <i>capital expenditure</i> for the <i>current access arrangement period</i>; and</p> <p>(ii) the <i>capital expenditure</i> proposed by the <i>pipeline service provider</i> and the actual and/or estimated <i>capital expenditure</i> for the <i>current access arrangement period</i>; and</p> <p>(b) whether and how the <i>pipeline service provider</i> considers that <i>conforming capital expenditure</i> to be added to the <i>capital base</i> in the <i>current access arrangement period</i> meets the requirements of r. 79 of the <i>NGR</i>.</p>	<p>(i) the capital expenditure approved by the AER and the actual and/or estimated capital expenditure for the current AA period is provided in Appendix 5; and</p> <p>(ii) the capital expenditure proposed by AGN (SA) and the actual and/or estimated capital expenditure for the current AA period provided in is provided in Appendix 5.</p> <p>3.3 (b) Please refer to Chapters 8 & 9 of the Final Plan.</p>

Requirement	Response
<p>Speculative capital expenditure account, reused redundant assets, redundant assets and disposals in the <i>current access arrangement period</i></p>	<p>AGN did not have a speculative capex account during the reporting period.</p>
<p>3.4 Provide an explanation in the materials submitted to the <i>AER</i> whether and how the <i>pipeline service provider</i> considers the requirements of r. 79 of the <i>NGR</i> are met for any amounts added to or deducted from the <i>capital base</i> in the <i>current access arrangement period</i>:</p> <ul style="list-style-type: none"> (a) from the <i>speculative capital expenditure account</i>; (b) for the reuse of redundant <i>assets</i>; (c) for redundant <i>assets</i>; and (d) for <i>disposals</i>. 	
<p>Forecast conforming capital expenditure in the <i>next access arrangement period</i></p>	<p>Please refer to Chapter 8 of the Final Plan and Attachments 8.1-8.10.</p>
<p>3.5 For each <i>capital expenditure purpose</i> identified in the Workbook 1 – Reset (forecast) data, regulatory templates E2 to E13, provide in the materials submitted to the <i>AER</i> an overall description including:</p> <ul style="list-style-type: none"> (a) a definition and explanation of any materiality threshold test that the <i>pipeline service provider</i> intends to apply to categorise forecast conforming <i>capital expenditure projects</i>; (b) the nature of forecast conforming <i>capital expenditure projects</i> or <i>programs material</i> to each <i>capital expenditure purpose</i>, including a brief description of the <i>capital expenditure</i> and, where relevant, the location of the expenditure on the <i>distribution pipeline</i>; (c) key drivers of the proposed expenditure; (d) an explanation of how expenditure is distinguished between: 	

Requirement	Response
<ul style="list-style-type: none"> (i) <i>new customer connections capital expenditure</i> and <i>augmentation capital expenditure</i>; (ii) <i>augmentation capital expenditure</i>, driven by demand, <i>mains replacement capital expenditure</i> and <i>other capital expenditure</i>, driven by <i>asset</i> condition and other drivers; and (iii) any <i>capital expenditure purpose</i> or <i>operating expenditure category</i> where the <i>pipeline service provider</i> considers that there is reasonable scope for ambiguity in categorisation. 	
(e) details as to whether the forecast conforming <i>capital expenditure</i> is to be funded by parties other than the <i>pipeline service provider</i> ; and	(e) Not applicable.
(f) details of contractual agreements with parties where <i>capital contributions</i> are made by <i>users</i> for new <i>capital expenditure</i> (see r. 82).	(f) Not applicable.
3.6 For forecast <i>conforming capital expenditure</i> , in total and in terms of each <i>capital expenditure purpose</i> , explain in the materials submitted to the <i>AER</i> :	Please refer to Chapter 8 of the Final Plan.
(a) how it reasonably reflects the new <i>capital expenditure</i> criteria set out in r. 79(1) of the <i>NGR</i> , and how the <i>pipeline service provider</i> has interpreted these criteria;	
(b) how the forecast conforming <i>capital expenditure</i> is justified under r. 79(2) of the <i>NGR</i> and how the <i>pipeline service provider</i> has interpreted these sub-rules; and	
(c) how any plans, policies, <i>procedures</i> , regulatory obligations or requirements, consultants' reports, <i>economic analysis</i> and assumptions have been used to justify the forecast <i>conforming capital expenditure</i> .	

Requirement	Response
<p>3.7 If r. 79(2)(a) is relied on to justify the forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <p>(a) the calculations of the economic value of the <i>capital expenditure</i> that directly accrues to the <i>service provider</i>, gas producers, <i>users</i> and end <i>users</i>; and</p> <p>(b) an explanation of the nature and quantification of the economic value that directly accrues to the <i>service provider</i>, gas producer, <i>users</i> and end <i>users</i> (see r. 79(3)).</p>	Please refer to Attachment 8.8 of the Final Plan.
<p>3.8 If r. 79(2)(b) is relied on to justify forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <p>(a) the information the <i>pipeline service provider</i> relied on to determine the expected incremental <i>revenue</i> to be generated as a result of the forecast <i>conforming capital expenditure</i>;</p> <p>(b) a description of the incremental service or services (see r. 79(4)(a));</p> <p>(c) the gross revenue derived from the incremental service (see r. 79(4)(b));</p> <p>(d) the incremental expenditure (see r. 79(4)(b)); and</p> <p>(e) the discount rates that the <i>pipeline service provider</i> used to determine the present value of the incremental <i>revenue</i>.</p>	Please refer to Attachment 8.8 of the Final Plan.
<p>3.9 If r. 79(2)(c)(i), (ii) or (iii) is relied on to justify the forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <p>(a) an explanation of which item in r. 79(2)(c)(i), (ii) or (iii) is relied on;</p> <p>(b) the relevant <i>regulatory obligation or requirement</i> (if any) and the relevant authority or body enforcing it;</p>	Please refer to Attachment 8.8 of the Final Plan.

Requirement	Response
<ul style="list-style-type: none"> (c) an explanation of whether and how the <i>pipeline service provider</i> considers that the forecast <i>conforming capital expenditure</i> satisfies the item in r. 79(2)(c)(i), (ii) or (iii) being relied on; and (d) any supporting technical or other external or internal reports about whether and how the <i>pipeline service provider</i> considers that the forecast <i>conforming capital expenditure</i> addresses the relevant item in r. 79(2)(c)(i), (ii) or (iii). 	
<p>3.10 If r. 79(2)(c)(iv) is relied on to justify forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) an explanation of how the conforming capital expenditure is necessary to maintain the pipeline service provider’s capacity to meet levels of demand for services; and (b) any reports or other information and documentation that supports whether and how the <i>pipeline service provider</i> considers that the forecast <i>capital expenditure</i> will maintain the capacity to meet the levels of demand for services. 	<p>Please refer to Attachment 8.8 of the Final Plan.</p>
<p>3.11 For the each <i>capital expenditure purpose</i> provide a <i>project</i> list which details for each <i>project</i>:</p> <ul style="list-style-type: none"> (a) an <i>internal identification code</i>, which will enable the <i>pipeline service provider</i> to report <i>actual capital expenditure</i> against <i>forecast capital expenditure</i>; (b) the <i>project</i> name used internally by the <i>pipeline service provider</i>; (c) the cost and timing of the <i>project capital expenditure</i>; and (d) a brief description of the <i>project</i> and its scope. 	<p>Please refer to Attachment 8.7 of the Final Plan.</p>

Capital expenditure forecast method

Requirement	Response
<p>3.12 Describe in the materials submitted to the <i>AER</i> how the forecast <i>conforming capital expenditure</i> was prepared, including:</p> <ul style="list-style-type: none"> (a) the forecasting methodologies used; (b) how its preparation differed or related to budgetary, planning and governance processes used in the normal running of the <i>pipeline service provider's</i> business; (c) processes for ensuring amounts are free of error and other steps in quality assurance; and (d) if and how the <i>pipeline service provider</i> considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers. 	Please refer to Chapter 8 of the Final Plan.
<p>3.13 In relation to any source material (including models, documentation or any other items containing quantitative data) used by the <i>pipeline service provider</i> to develop its forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) a copy of this source material; and (b) all calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the <i>regulatory templates</i>. 	Please refer to Chapter 8 and Attachments 8.1-8.10 of the Final Plan.
<p>3.14 Identify in the materials submitted to the <i>AER</i> which particular items of the <i>pipeline service provider's</i> forecast <i>conforming capital expenditure</i> have been:</p> <ul style="list-style-type: none"> (a) derived directly from competitive tender processes; (b) based upon competitive tender processes for similar <i>projects</i>; (c) based upon estimates obtained from contractors or manufacturers; (d) based upon independent benchmarks; 	Please refer to Attachments 8.8-8.9 of the Final Plan.

Requirement	Response
<ul style="list-style-type: none"> (e) based upon actual historical costs for similar <i>projects</i>; and (f) reflective of any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable. 	
<p>3.15 Provide in the materials submitted to the <i>AER</i>, any relevant internal decision making <i>documents</i> relating to approval of the forecast <i>conforming capital expenditure</i> and any other internal or external documentation or models that justify the forecast <i>conforming capital expenditure</i>, including but not limited to:</p> <ul style="list-style-type: none"> (a) business cases; (b) feasibility studies; (c) forecast demand studies and internal reports; and (d) the date of any relevant internal decision making body/management decisions and board decisions. 	<p>Please refer to Attachments 8.1-8.10 of the Final Plan.</p>
<p>3.16 Provide in the materials submitted to the <i>AER</i> all <i>documents</i> which were taken into account and relate to the <i>deliverability</i> of forecast <i>conforming capital expenditure</i> and explain the proposed <i>deliverability</i>.</p>	<p>Please refer Attachments 8.1-8.10 of the Final Plan.</p>
<p>Non-conforming capital expenditure in the <i>next access arrangement period</i></p>	<p>Not applicable.</p>
<p>3.17 Provide in the materials submitted to the <i>AER</i> in relation to <i>non-conforming capital expenditure</i>:</p> <ul style="list-style-type: none"> (a) details of the mechanism to prevent the <i>pipeline service provider</i> from benefiting, through increased <i>revenue</i>, from the <i>capital contributions</i> by a <i>user</i> in the <i>next access arrangement period</i> (see r. 82(3)). 	
<p>Capital redundancy policy in the <i>next access arrangement period</i></p>	<p>Not applicable.</p>

Requirement	Response
<p>3.18 If relevant, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) an explanation of the proposed mechanism to remove redundant <i>assets</i> from the <i>capital base</i> including: <ul style="list-style-type: none"> (i) when the mechanism will take effect; and (ii) whether the mechanism includes a <i>proposal</i> for cost sharing between the <i>service provider</i> and <i>users</i> associated with a decline in demand for <i>pipeline services</i>; (b) an explanation of why the mechanism is being included; (c) an explanation of what uncertainty the mechanism may cause; and (d) the effect of this uncertainty on the <i>pipeline service provider</i>. 	
<p>4. Operating Expenditure</p>	
<p>Operating expenditure in the <i>current access arrangement period</i></p>	
<p>4.1 For the <i>current access arrangement period</i> in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) identify all relevant <i>related parties</i>; and (b) provide an explanation of any non-recurring expenditures and the expenditure incurred for each of the non-recurring expenditures each <i>regulatory year</i>. 	<p>Please refer Appendix C of the Basis of Preparation document provided in RIN Attachment 2 for details of relevant related parties in the current AA period.</p> <p>As outlined in the Basis of Preparation document and Cost Allocation Methodology (CAM) document (Appendix 3), AGN (SA) has appointed APA Asset Management (APA) as its primary capital delivery contractor.</p>
<p>Forecast operating expenditure in the <i>next access arrangement period</i></p>	
<p>4.2 For forecast total <i>operating expenditure</i> provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) a description and explanation of the major drivers for the increase/decrease in expenditure for each <i>operating expenditure</i> category between the <i>current access</i> 	<ul style="list-style-type: none"> (a) Please refer to Chapter 7 of the Final Plan.

Requirement	Response
<p><i>arrangement period</i> and the <i>next access arrangement period</i>;</p>	
<p>(b) information on any changes to the operations of the pipeline from the <i>current access arrangement period</i> that have resulted in <i>material</i> changes to <i>operating expenditure categories</i> and total <i>operating expenditure</i> in the <i>next access arrangement period</i>, including a definition of the materiality threshold used by the <i>pipeline service provider</i> to identify such changes;</p>	<p>(b) Please refer to Chapter 7 of the Final Plan.</p>
<p>(c) the models or methodology used to develop the forecast total <i>operating expenditure</i>; and</p>	<p>(c) Please refer to Attachments 7.1-7.7 and 8.8 of the Final Plan.</p>
<p>(d) a description of how the forecast was prepared, including:</p> <p>(i) how <i>forecast operating expenditure</i> reasonably reflects the criteria set out in r. 91(1) of the <i>NGR</i>;</p> <p>(ii) if a revealed cost <i>base year</i> approach was used to forecast total <i>operating expenditure</i>;</p> <p>(1) what the base year is; and</p> <p>(2) why that base year represents efficient, recurrent costs;</p> <p>(iii) if a revealed cost <i>base year</i> approach was not used to forecast total <i>operating expenditure</i>;</p> <p>(1) whether there was a year of historical <i>operating expenditure</i> available that represents efficient, recurrent costs; and</p> <p>(2) if not, why no year of historical <i>operating expenditure</i> represents efficient, recurrent costs; and</p> <p>(iv) any non-recurrent expenditure in the <i>base year</i> and each year of the <i>next access arrangement period</i>.</p>	<p>(d) Please refer to Chapter 7 of the Final Plan.</p>

Requirement	Response
Output growth	Please refer to Chapter 7 and Attachments 11.1-11.2 of the Final Plan.
4.3 Provide in the materials submitted to the <i>AER</i> : <ul style="list-style-type: none"> (a) all output growth drivers included in the forecast; (b) any economies of scale factors applied to the growth drivers; (c) evidence that the growth drivers explain cost changes due to output growth; and (d) any weightings applied if multiple output growth drivers have been used. 	Please refer to Chapter 7 and Attachments 11.1-11.2 of the Final Plan.
4.4 Explain in the materials submitted to the <i>AER</i> : <ul style="list-style-type: none"> (a) how the growth drivers have been applied in the <i>operating expenditure</i> forecast; and (b) how the forecast method accounts for economies of scale. 	Please refer to Chapter 7 of the Final Plan.
Real price changes	Please refer to Chapter 7 and Attachment 7.7 of the Final Plan.
4.5 Explain in the materials submitted to the <i>AER</i> : <ul style="list-style-type: none"> (a) how the real price measures have been applied in the <i>operating expenditure</i> forecast; and (b) whether the labour price measure compensates for any form of labour productivity change. 	Please refer to Chapter 7 and Attachment 7.7 of the Final Plan.
Productivity change	Please refer to Chapter 7 and Attachments 7.3-7.4 of the Final Plan.
4.6 Explain in the materials submitted to the <i>AER</i> : <ul style="list-style-type: none"> (a) how the forecast changes in productivity have been applied in the <i>operating expenditure</i> forecast; (b) whether the forecast productivity changes capture the historical trend of cost increases due to new <i>regulatory</i> 	Please refer to Chapter 7 and Attachments 7.3-7.4 of the Final Plan.

Requirement	Response
<p><i>obligations or requirements</i> and changes to industry best practice; and</p> <p>(c) whether the productivity measure used to forecast operating expenditure includes productivity change compensated for by the labour price measure used to forecast the change in the price of labour.</p>	
<p>5. Step changes</p>	
<p>5.1 For all <i>step changes</i> in <i>forecast operating expenditure</i> (including due to changes in policies, strategies and obligations) provide in the materials submitted to the <i>AER</i>:</p> <p>(a) a description of the <i>step change</i>, including when the change occurred, or when it is expected to occur, what its driver is, and how the driver has changed (e.g. the change in a regulatory obligation); and</p> <p>(b) a demonstration, including all supporting justifications, for when and how the <i>step change</i> affected or is expected to affect expenditures (historical and forecast), with respect to:</p> <p>(i) any of the <i>operating expenditure categories</i>; and</p> <p>(ii) total <i>operating expenditure</i>.</p>	<p>Please refer to Chapter 7 Attachments 7.2 and 8.8 of the Final Plan.</p>
<p>5.2 For each <i>step change</i> identified in response to paragraph 5.1, explain in the materials submitted to the <i>AER</i>:</p> <p>(a) why the efficient costs of the <i>step change</i> are not provided by other aspects of the <i>operating expenditure</i> forecast including, for example, base <i>operating expenditure</i>, output growth, real price growth or forecast productivity change; and</p>	<p>Please refer to Chapter 7 Attachments 7.2 and 8.8 of the Final Plan.</p>

Requirement	Response
<p>(b) why the <i>step change</i> is required to contribute to a total <i>forecast operating expenditure</i> that reasonably reflects the criteria set out in r. 91(1) of the <i>NGR</i>.</p>	
<p>5.3 For all <i>step changes</i> in forecast expenditure provide:</p> <p>(a) In <i>Workbook 1 – Reset (forecast) data, regulatory template E17</i> the <i>step changes</i> expenditure:</p> <p>(i) forecast for each year of the <i>forthcoming access arrangement period</i>; and</p> <p>(ii) expected to be incurred in the <i>current access arrangement period</i>; and</p> <p>(b) a description of the <i>step change</i>.</p>	<p>Please refer to RIN Attachment 3 Workbook 1 – Reset (forecast) data.</p>
<p>5.4 For each <i>step change</i> listed in response to paragraph 5.3, provide in the materials submitted to the <i>AER</i> an explanation of:</p> <p>(a) when the change occurred, or is expected to occur;</p> <p>(b) what the driver of the <i>step change</i> is;</p> <p>(c) how the driver has changed or will change (for example, revised legislation may lead to a change in a regulatory obligation or requirement); and</p> <p>(d) whether the <i>step change</i> is recurrent in nature.</p>	<p>Please refer to Chapter 7 Attachments 7.2 and 8.8 of the Final Plan.</p>
<p>5.5 For each <i>step change</i> listed in response to paragraph 5.3, provide in the materials submitted to the <i>AER</i> justification for when, and how, the <i>step change</i> affected, or is expected to affect:</p> <p>(a) the relevant <i>operating expenditure category</i>;</p> <p>(b) the relevant <i>capital expenditure purpose</i>;</p> <p>(c) total <i>operating expenditure</i>; and</p> <p>(d) total <i>capital expenditure</i>.</p>	<p>Please refer to Chapter 7 Attachments 7.2 and 8.8 of the Final Plan.</p> <p>(d) Not applicable</p>

Requirement	Response
<p>5.6 For each <i>step change</i> listed in response to paragraph 5.3, provide in the materials submitted to the <i>AER</i> the process undertaken by the <i>pipeline service provider</i> to identify and quantify the <i>step change</i>; and the cost benefit analysis that demonstrates the <i>pipeline service provider</i> proposes to address the <i>step change</i> in a prudent and efficient manner, including:</p> <ul style="list-style-type: none"> (a) the timing of the <i>step change</i>; and (b) if the <i>pipeline service provider</i> considered a 'do nothing' option, evidence of how the <i>pipeline service provider</i> assessed the risks of this option compared with other options. 	Please refer to Chapter 7 Attachments 7.2 and 8.8 of the Final Plan.
<p>5.7 If the <i>step change</i> was due to a change in a regulatory obligation or requirement provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) an explanation of any variations or exemptions granted from a regulatory obligation or requirement during the <i>previous access arrangement period</i> or the <i>current access arrangement period</i>; and (b) any compliance <i>audits</i> conducted during the <i>previous access arrangement period</i> or the <i>current access arrangement period</i>. 	Please refer to Attachments 7.2 and 8.8 of the Final Plan.
<p>5.8 For each <i>step change</i> listed in response to paragraph 5.7, provide in the materials submitted to the <i>AER</i>, with reference to specific clauses of the relevant legislative instrument(s), the:</p> <ul style="list-style-type: none"> (a) previous <i>regulatory obligation or requirement</i>; and (b) how the changed <i>regulatory obligation or requirement</i> is driving the <i>step change</i>. 	Please refer to Attachments 7.2 and 8.8 of the Final Plan.

Category specific operating expenditure

Requirement	Response
<p>5.9 For all <i>category specific forecasts</i> in <i>forecast operating expenditure</i> provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) a description of the <i>category specific forecast</i>; (b) the process undertaken to identify and quantify the <i>category specific forecast</i>; (c) an explanation of why the efficient costs of the <i>category specific forecast</i> is not provided by other aspects of the <i>operating expenditure</i> forecast including, for example, base <i>operating expenditure</i>, output growth, real price growth or forecast productivity change; and (d) an explanation of why the category specific forecast is required to contribute to a total <i>forecast operating expenditure</i> that reasonably reflects the criteria set out in r. 91(1) of the <i>NGR</i>. 	Please refer to Attachment 7.7 of the Final Plan.
<h2>6. Forecast Price Changes</h2>	
<p>6.1 Identify in the materials submitted to the <i>AER</i>, the labour and <i>material</i> price changes proposed in the estimation of the <i>forecast capital expenditure</i> and the <i>forecast operating expenditure</i>.</p>	Please refer to Attachment 7.8 of the Final Plan
<p>6.2 Provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) the model(s) used to derive and apply all price changes assumed in the estimation of the <i>forecast capital expenditure proposal</i> and the <i>forecast operating expenditure proposal</i>, including any proprietary model(s) provided by a <i>third party</i>; (b) in relation to labour escalators, a copy of the current <i>Enterprise Agreement</i> or equivalent agreement; and (c) evidence that the price measures explain those cost changes which are attributed to price changes, including evidence of any materials price forecast method which explains the 	Please refer to Attachments 7.8 and 8.9 of the Final Plan.

Requirement	Response
historical change in the price of materials purchased by network <i>service providers</i> .	
<p>6.3 Explain in the materials submitted to the <i>AER</i>:</p> <p>(a) the methodology underlying the calculation of each price change, including sources, data conversions, the operation of any models provided under paragraph 6.2(a) and the use of any assumptions, such as lags or productivity gains;</p> <p>(b) whether the same price changes have been used in developing both <i>the forecast capital expenditure</i> and <i>forecast operating expenditure</i>; and</p> <p>(c) if the response to paragraph 6.3(b) is no, why it is appropriate for different expenditure escalators to apply.</p>	Please refer to Attachment 7.8 and 8.9.
6.4 If an agreement provided in response to paragraph 6.2(b) is due to expire during the <i>next access arrangement period</i> , explain in the materials submitted to the <i>AER</i> the progress and outcomes of any negotiations to date to review and replace the current agreement.	Not applicable
7. Interactions between Capex and Opex	
7.1 Identify in the materials submitted to the <i>AER</i> any <i>material</i> interactions between the <i>pipeline service provider's</i> forecast <i>capital expenditure</i> and <i>forecast operating expenditure</i> .	Please refer to Chapters 7 and 8 of the Final Plan.
7.2 Explain in the materials submitted to the <i>AER</i> how these interactions have been taken into account when developing forecasts of <i>capital expenditure</i> and <i>operating expenditure</i> , and otherwise in providing responses to items under paragraphs 5 and 6.	Please refer to Chapters 7 and 8 of the Final Plan.

2.3 Capital Base and Tax Reporting

Requirement	Response
8. Capital Base	
8.1 Provide the <i>pipeline service provider's</i> calculation of the <i>capital base</i> using the <i>AER's RFM</i> and <i>PTRM</i> which are to be submitted as part of the <i>access arrangement proposal</i> , including the <i>pipeline service provider's</i> calculation of the opening and closing <i>capital base</i> for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i> .	Please refer to Attachments 1.2, 1.3, 1.4, 9.1 and 9.2 of the Final Plan.
8.2 If the <i>pipeline service provider</i> proposes to change the underlying methods in the <i>AER's RFM</i> and/or <i>PTRM</i> compared with the <i>current access arrangement's AER</i> final decision <i>RFM</i> and/or <i>PTRM</i> for the calculation referred to in paragraph 8.1, describe in the materials submitted to the <i>AER</i> the reasons for the changes.	Please refer to Attachments 1.3, 9.1 and 9.2 of the Final Plan.
8.3 If the opening value of the <i>capital base</i> as at the start of the <i>next access arrangement period</i> is proposed to be adjusted because of re-use of redundant <i>assets</i> or exclusion of redundant <i>assets</i> , provide details in the materials submitted to the <i>AER</i> including relevant supporting information used to calculate that <i>adjustment</i> value.	Not applicable
9. Depreciation schedules	
9.1 Provide in the materials submitted to the <i>AER</i> , the <i>pipeline service provider's</i> calculation of the depreciation amounts for the relevant <i>gas distribution network</i> for each <i>regulatory year</i> of: (a) the <i>current access arrangement period</i> using the <i>AER's RFM</i> , which is to be submitted as part of the <i>access arrangement proposal</i> ; and	Please refer to Attachments 1.2, 1.3, 1.4, 9.1 and 9.2 of the Final Plan.

<p>(b) the <i>next access arrangement period</i> using the <i>AER's PTRM</i>, which is to be submitted as part of the <i>access arrangement proposal</i>.</p>	
<p>9.2 If the <i>pipeline service provider</i> proposes to change the underlying depreciation methods in the <i>AER's RFM</i> and <i>PTRM</i> compared with the <i>current access arrangement's AER</i> final decision <i>RFM</i> and <i>PTRM</i> for the calculations referred to in paragraph 9.1, describe in the materials submitted to the <i>AER</i> the reasons for the changes.</p>	<p>Please refer to Attachments 1.2, 1.3, 1.4, 9.1 and 9.2 of the Final Plan.</p>
<p>9.3 For the standard <i>asset</i> lives applied in the <i>PTRM</i>, identify any changes from the standard <i>asset</i> lives approved in the <i>AER's</i> final decision for the <i>current access arrangement</i> for existing <i>asset classes</i>. Explain in the materials submitted to the <i>AER</i> the reason/s for the change and provide relevant supporting information.</p>	<p>Please refer to Attachments 1.2, 1.3, 1.4, 9.1 and 9.2 of the Final Plan.</p>
<p>9.4 For any proposed new <i>asset classes</i>, explain the reason/s for using these new <i>asset classes</i> and provide in the materials submitted to the <i>AER</i> the relevant supporting information on their proposed standard <i>asset</i> lives.</p>	<p>Please refer to Attachments 1.2, 1.3, 1.4, 9.1 and 9.2 of the Final Plan.</p>
<p>9.5 If existing <i>asset classes</i> approved in the <i>AER's</i> final decision for the <i>current access arrangement</i> are proposed to be removed at the start of the <i>next access arrangement period</i> and their residual values are to be reallocated to other <i>asset classes</i>, explain in the materials submitted to the <i>AER</i> the reason/s for the change and provide relevant supporting information. This should include a demonstration of the materiality of the change on the forecast depreciation allowance.</p>	<p>Not applicable</p>
<p>9.6 Describe in the materials submitted to the <i>AER</i> the method used to depreciate existing <i>asset classes</i> as at 1 July 2021 and provide supporting calculations. This may include calculations to estimate remaining <i>asset</i> lives.</p>	<p>Please refer to Attachments 1.2, 1.3, 1.4, 9.1 and 9.2 of the Final Plan</p>
<p>9.7 Explain in the materials submitted to the <i>AER</i> the approach the <i>pipeline service provider</i> used to forecast its <i>immediate expensing</i></p>	<p>Please refer to Chapter 9 of the Final Plan.</p>

capital expenditure for the *next access arrangement* period as provided in the *access arrangement proposal PTRM*.

- 9.8 The *AER's PTRM* applies the diminishing value (DV) method for tax depreciation purposes to all new depreciable assets except for certain assets. Where *the pipeline service provider* proposes *capital expenditure* associated with buildings and in-house software to be exempted from the DV method of tax depreciation, please confirm that the proposal satisfies the following requirements:
- (a) buildings: *capital expenditure* for buildings may be depreciated using the SL method if it satisfies the definition of a capital work under section 43.20 of the Income Tax Assessment Act 1997 (ITAA); and
 - (b) in-house software: *capital expenditure* for in-house software may be depreciated using the SL method if it satisfies the definition of in-house software under section 995.1 of the ITAA, and may be depreciated using the SL method, consistent with section 40.72 of the ITAA.
- Please refer to Attachments 1.2, 1.3, 1.4, 9.1 and 9.2 of the Final Plan.

10. Corporate Income Tax

- 10.1 Provide in the materials submitted to the *AER* the *pipeline service provider's* calculation of the estimated cost of corporate income tax for the *next access arrangement period* using the *AER's PTRM*, which is to be submitted as part of the *access arrangement proposal*.
- Please refer to Attachments 1.2, 1.3 and 1.4 of the Final Plan.
- 10.2 Demonstrate in the materials submitted to the *AER* that the calculation referred to in paragraph 10.1 complies with r. 87A of the *NGR*.
- Please refer to Chapter 9 of the Final Plan.
- 10.3 Provide in the materials submitted to the *AER* the details of each departure from the *AER's PTRM* for the calculations referred to in paragraph 10.1, and the reasons for that departure.
- Not applicable

10.4 Identify in the materials submitted to the <i>AER</i> any changes to standard tax asset lives for existing <i>asset classes</i> approved for the <i>current access arrangement</i> . Explain the reason/s for the change and provide relevant supporting information, including Federal tax laws governing depreciation for tax purposes.	Not applicable
10.5 Describe in the materials submitted to the <i>AER</i> the method used to depreciate existing asset classes as at 1 July 2021 for tax purposes and provide supporting calculations, if the approach differs from that in the <i>current access arrangement's AER</i> final decision <i>RFM</i> .	Please refer to Chapter 8 of the Final Plan.
10.6 Provide in the materials submitted to the <i>AER</i> the <i>pipeline service provider's</i> calculation of the tax <i>asset</i> base for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i> using the <i>pipeline service provider's RFM</i> , <i>PTRM</i> and/or separate tax depreciation model.	Please refer to Attachments 1.2-1.4 of the Final Plan.
10.7 If the <i>pipeline service provider</i> proposes to change the underlying methods in the <i>AER's RFM</i> for the calculations referred to in paragraph 10.6, describe in the materials submitted to the <i>AER</i> the reasons for the changes.	Not applicable
10.8 Identify in the materials submitted to the <i>AER</i> any differences in the <i>capitalisation</i> of expenditure for regulatory accounting purposes and tax accounting purposes. Provide reasons and supporting calculations to reconcile any differences between the two forms of accounts.	Not applicable

2.4 Network Information Reporting

Requirement	Response
11. Demand	
<p>11.1 Provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) an explanation of any trends in demand and volumes over the <i>current access arrangement period</i> and the <i>next access arrangement period</i>; (b) details of the key drivers behind the demand forecasts provided in response to <i>Workbook 1 – Reset (forecast) data, regulatory template N1. Demand</i>; (c) any methodology and models that have been used to develop the demand forecasts; (d) any data sets used as inputs into the models; (e) any key inputs and assumptions that have been used in the models (including in relation to economic growth, <i>customer numbers</i> and policy changes) and any associated models or data relevant to justifying these inputs and assumptions and how demand for <i>pipeline services</i> is differentiated; (f) an explanation of any weather normalisation models used by the <i>pipeline service provider</i> and how weather data has been used, as well as an explanation as to how the <i>pipeline service provider's</i> approach to weather normalisation has changed over time; (g) an explanation of any appliance models, where used, or assumptions relating to <i>average customer</i> energy usage (by <i>customer type</i>); (h) how the forecasting methodology used is consistent with, and takes into account, historical observations (where appropriate), including any calibration processes undertaken 	<p>Please refer to Chapter 12 and Attachments 12.1-12.3 of the Final Plan.</p> <p>Please refer to Chapter 7 and 8 of the Final Plan.</p>

within the model (specifically whether the load forecast is matched against actual historical load); and

- (i) an explanation of how the demand forecasts have been used to develop the *pipeline service provider's capital expenditure* and *operating expenditure* forecasts.

11.2 Provide in the materials submitted to the *AER*:

Please refer to Chapter 12 and Attachments 12.1-12.3 of the Final Plan.

- (a) evidence that any independent verifier engaged has examined the reasonableness of the method, processes and assumptions in determining the forecasts and has the requisite expertise to undertake a verification of forecasts; and
 - (b) all documentation, analysis and models evidencing the results of the independent verification provided in paragraph 11.2(a).
-

2.5 Incentive Schemes and other Reporting

Requirement	Response
12. Proposed Incentive Mechanism	
12.1 Provide in the materials submitted to the <i>AER</i> , for each incentive mechanism (including existing incentive mechanisms), details of the forecast <i>revenue</i> referable to increments for efficiency gains or decrements for efficiency losses for the <i>next access arrangement period</i> .	Please refer to Chapters 11 and 13 of the Final Plan.
12.2 Provide in the materials submitted to the <i>AER</i> , for each proposed incentive mechanism: (a) an explanation of the operation of the proposed incentive mechanism; (b) an explanation of the rationale for the proposed incentive mechanism; (c) reference to the source <i>documents</i> used to derive exclusions and inclusions to calculate efficiency gains and losses for the <i>next access arrangement period</i> ; and (d) any relevant analyses or reports that support the proposed incentive mechanism.	Please refer to Chapter 11 and Attachment 11.1 of the Final Plan.
13. Rate of Return	
13.1 The <i>pipeline service provider</i> is required to apply the binding <i>Rate of Return Instrument</i> (December 2018) for determining the rate of return in its <i>access arrangement proposal</i> .	Please refer to Chapter 10 and Attachment 1.8 of the Final Plan.
13.2 The averaging periods nominated by the <i>pipeline service provider</i> in accordance with the <i>Rate of Return Instrument</i> (December 2018) will be kept confidential by the <i>AER</i> .	Please refer to Chapter 10 and Attachment 10.1 of the Final Plan.

13.3 For the purposes of assessing the *pipeline service provider's* proposal we require it to nominate 'placeholder' averaging periods which will be made public and have been used to calculate an indicative rate of return in the *pipeline service provider's access arrangement proposal*. Please refer to Chapter 10 and Attachment 10.1 of the Final Plan.

2.6 Revenue and Pricing

Requirement	Response
14. Revenues and Prices for Reference Services	
14.1 Provide in the materials submitted to the AER the pipeline service provider's calculation of the unsmoothed and smoothed revenues, and prices for the purposes of the reference tariff variation mechanism proposed by the pipeline service provider for the next access arrangement period using the AER's PTRM.	Please refer to Chapter 13 and Attachment 1.4 of the Final Plan.
14.2 If the pipeline service provider proposes to change the underlying methods in its access arrangement proposal PTRM compared with the current access arrangement AER final decision PTRM for the calculations referred to paragraph 14.1 describe in the materials submitted to the AER the reasons for the changes.	Not applicable
15. Tariffs	
Total revenue allocation	(a) Please refer to Chapter 13 and Attachments 13.1-13.2 of the Final Plan. Please also refer to Appendix 3.
15.1 Provide in the materials submitted to the AER:	(b) (i) and (ii) not applicable
(a) an explanation, including any relevant calculations, of the methods or principles used to allocate relevant cost between the <i>reference services</i> and <i>non-reference services</i> ; and	
(b) for <i>rebateable services</i> , provide:	
(i) the reasons why the service should be treated as a <i>rebateable service</i> ; and	

- (ii) a description of the mechanism that the *pipeline service provider* will use to apply an appropriate portion of the revenue generated from the sale of *rebateable services* to price rebates (or refunds) to users of reference services (see r. 93 of the *NGR*).

Tariffs – distribution pipelines (see r. 94 of the NGR)

Please refer to Chapter 13 and Attachments 13.1-13.2 of the Final Plan.
Please also refer to Appendix 3.

15.2 For each *tariff* proposed by the *pipeline service provider* for the *next access arrangement period*, and if it consists of two or more charging parameters, each charging parameter for a *tariff class*, provide in the materials submitted to the *AER*:

- (a) a description of how the *pipeline service provider* has taken into account the long run marginal cost for the *reference service* or, in the case of a charging parameter, for the element of the service to which the charging parameter relates;
- (b) details of the transaction costs associated with the *tariff* or each charging parameter;
- (c) whether *customers* belonging to the relevant *tariff class* are able or likely to respond to price signals; and
- (d) an explanation of the methodology used to allocate costs.

Prudent discounts (see r. 96 of the NGR)

Please refer to Attachment 13.3 of the Final Plan.

15.3 Identify in the materials submitted to the *AER* all prudent discounts that the *pipeline service provider* proposes for the *next access arrangement period* and the *users* to whom they will apply and explain:

- (a) how each prudent discount is necessary to respond to competition or maintain efficient use of the *pipeline*; and
- (b) whether including relevant calculations, *reference tariffs* would be higher without the prudent discount than they would be with the prudent discount.

16. Reference Tariff Variations

Reference tariff variation mechanism

Please refer to Chapter 13 and Attachment 13.1 of the Final Plan.

- 16.1 Provide in the materials submitted to the *AER* an explanation of:
- (a) the proposed *reference tariff variation mechanism* for the *next access arrangement period* and the basis for any parameters used in the mechanism; and
 - (b) the administrative arrangements for periodic reviews of tariffs including the timing of notifications to the *AER*.

- 16.2 Identify in the materials submitted to the *AER*:

Please refer to Chapter 13 and Attachment 13.1 of the Final Plan.

- (a) the possible effects of the proposed *reference tariff variation mechanism* on the *pipeline service provider's* administrative costs and, if known, the administrative costs of *users* or potential *users*; and
- (b) all relevant regulatory arrangements the *pipeline service provider* considers applicable to the relevant *reference services* before the commencement of the proposed *reference tariff variation mechanism*.

Cost pass through mechanism

Please refer to the AA Document, Chapter 13 and Attachment 13.1 of the Final Plan.

- 16.3 For each cost pass through event in the *pipeline service provider's access arrangement proposal*, provide in the materials submitted to the *AER*:
- (a) a definition and description of the cost pass through event;
 - (b) an explanation of how the cost pass through event is uncontrollable;
 - (c) an explanation of whether the costs of the cost pass through event are already provided for through the *operating expenditure* or *capital expenditure* forecasts, the WACC (i.e. events which affect the market generally, are systemic risks

and already compensated through the WACC), or any other mechanism or allowance; and

- (d) an explanation of the administrative arrangements for the cost pass through event and their relationship to other periodic reviews for other *tariff* variation mechanisms including the timing of notifications to the *AER*.

16.4 Identify in the materials submitted to the *AER*:

- (a) the materiality threshold the *pipeline service provider* proposes for cost pass through events;
- (b) the possible effects of the proposed cost pass through mechanism on the *pipeline service provider's* administrative costs and, if known, the administrative costs of *users* or potential *users*; and
- (c) all relevant regulatory arrangements the *pipeline service provider* considers applicable to the relevant *reference services* prior to the commencement of the proposed cost pass through mechanism.

Please refer to the AA Document, Chapter 13 and Attachment 13.1 of the Final Plan.

17. Non-tariff Components

Non-tariff terms and conditions

Please refer to Attachments 14.1 and 14.3 of the Final Plan.

17.1 Provide in the materials submitted to the *AER*:

- (a) details of any amendments to the non-tariff terms and conditions of the *access arrangement* that the *pipeline service provider* proposes for the *next access arrangement period*; and
- (b) for each amendment identified in paragraph 17.1(a), explain the reasons for the proposed amendment.

Queuing requirements

17.2 Provide in the materials submitted to the *AER* details of the process or mechanism for determining the order of priority for spare or

There is no queuing policy in current AA. On this basis, we have added the policy, and included words in the our proposed 2021-26 AA Document to refer to rule 103 of the National Gas Rules. If, during this AA period, the

developable capacity, for example, whether it is to be on a first-come-first-served basis or by auction.

Regulator has cause to require AGN to include queuing requirements, AGN will respond accordingly. Please refer to Attachment 14.2.

Capacity trading requirements

17.3 Identify in the materials submitted to the *AER* the rules or *procedures* the *pipeline service provider* must accord with under r. 105 of the *NGR*.

The rules or procedures are outlined under section 7 of the 2021-26 AA Document. These are consistent with NGR Rule 105.

Extension and expansion requirements (see r. 104 of the NGR)

17.4 Provide in the materials submitted to the *AER*:

- (a) details of any *extension and expansion requirements* where that *extension and expansion requirement* states that the *access arrangement* will apply to incremental services to be provided as a result of the extension or expansion; and
- (b) details of the effect of those *extension or expansion requirements* identified in paragraph 17.4(a) on *tariffs*.

- (a) Refer to section 8 of the 2021-26 AA Document, which deals with extension and expansion requirements.
- (b) In accordance with section 8.4 of the 2021-26 AA, if the AA applies to an incremental service to be provided as a result of any extension or expansion then the Reference Tariffs will apply to incremental services which are Reference Services.

Change of receipt or delivery point by user

17.5 Explain in the materials submitted to the *AER*:

- (a) how *users* may obtain consent, including identifying any relevant conditions, to change receipt or delivery points as contemplated under r. 106 of the *NGR*; and
- (b) where relevant, the technical or commercial considerations and other relevant conditions in the event the *pipeline service provider* intends to withhold consent to a change in a *receipt or delivery point*.

- (a) Section 7.2 of the 2021-26 AA Document explains how AGN’s users may obtain consent, including identifying any relevant conditions, to change receipt or delivery points as contemplated under r. 106.

18. Indicative Impact on Customer Gas Bills

18.1 If the *pipeline service provider* proposes an alternative method to estimate the impact of its *proposal* on typical *customer bills* (other than that set out in *Workbook 4 – Indicative bill impact*), provide in the materials submitted to the *AER* the alternative

Not applicable

calculations, and describe the method and underlying assumptions used.

2.7 Miscellaneous Reporting

Requirement	Response
19. Related Party Transactions	
<p>19.1 Identify and describe in the materials submitted to the <i>AER</i> all entities which:</p> <ul style="list-style-type: none"> • are a <i>related party</i> to the <i>pipeline service provider</i> and contribute to the provision of <i>pipeline services</i>; or • have the capacity to determine the outcome of decisions about the <i>pipeline service provider's</i> financial and operating policies. <p>The minimum threshold for these entities are for transactions greater than \$1,000,000 in a <i>regulatory year</i>.</p>	<p>Refer to Appendix C of the Basis of Preparation document provided in RIN Attachment 2 and Cost Allocation Methodology (CAM) document provided in Appendix 3 for details of relevant related parties.</p> <p>As outlined in the Basis of Preparation document and Cost Allocation Methodology (CAM) document, AGN (SA) has appointed APA Asset Management (APA, part of the APA Group) as its primary capital delivery contractor.</p>
<p>19.2 Provide in the materials submitted to the <i>AER</i> a diagram of the organisational structure depicting the relationships between all the entities identified in the response to paragraph 19.1.</p>	Not applicable
<p>19.3 Identify in the materials submitted to the <i>AER</i>:</p> <p>(a) all arrangements or <i>contracts</i> between the <i>pipeline service provider</i> and any of the other entities identified in the response to paragraph 19.1 currently in place or expected to be in place during the period 2019-20 to 2025-26 which relate directly or indirectly to the provision of <i>pipeline services</i>; and</p> <p>(b) the service or services that are the subject of each arrangement or contract.</p>	Not applicable
<p>19.4 For each service identified in the response to paragraph 19.3(b):</p>	Not applicable

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- (a) provide in the materials submitted to the *AER*:
 - (i) a description of the process used to procure the service; and
 - (ii) supporting documentation including, but not limited to, requests for tender, tender submissions, internal committee papers evaluating the tenders, *contracts* between the *pipeline service provider* and the relevant provider.
 - (b) explain in the materials submitted to the *AER*:
 - (i) why that service is the subject of an arrangement or *contract* (i.e. why it is outsourced) instead of being undertaken by the *pipeline service provider* itself;
 - (ii) whether the services procured were provided under a standalone *contract* or provided as part of a broader operational agreement (or similar);
 - (iii) whether the services were procured on a genuinely competitive basis and if not, why; and
 - (iv) whether the service (or any component thereof) was further outsourced to another provider.

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- 19.5 For each arrangement or contract identified in the response to paragraph 19.3 provide in the materials submitted to the *AER*: Not applicable
- (a) a copy of the arrangement or contract which sets out the obligations of both the other entity and the *pipeline service provider*,
 - (b) a breakdown of all services provided as part of that arrangement or contract;
 - (c) a breakdown of costs for each service provided as part of the arrangement or contract, including separately identifying overheads, any profit margin or management fee and incentive payments;
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- (d) a breakdown of all costs included in the contract price; and
- (e) any methodologies, including consultant’s reports, or assumptions used to determine components of those costs included in the contract price.

2.8 Other Information

Requirement	Response
20. Compliance with Section 269A of the NGL	
20.1 The <i>pipeline service provider</i> must provide a statement attesting that: <ul style="list-style-type: none"> (a) where any expenditure or cost has been incurred or is forecast to be incurred by the <i>pipeline service provider</i>, as a result of or incidental to a review under Part 5 – Merits review and other non-judicial review – of the <i>NGL</i>, that; <ul style="list-style-type: none"> (i) the <i>pipeline service provider</i> has not included any of that expenditure or cost, or any part of that expenditure or cost, in its capital or <i>operating expenditures</i> for an <i>access arrangement</i> decision; and (ii) the <i>pipeline service provider</i> has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end <i>users</i>; and (iii) the <i>pipeline service provider</i> has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end <i>users</i>; or (b) where no expenditure or cost has been incurred or is forecast to be incurred by the <i>pipeline service provider</i>, as a result of or incidental to a review under Part 5 – Merits review and other non-judicial review – of the <i>NGL</i>, that; <ul style="list-style-type: none"> (i) no such expenditure or cost has been incurred or is forecast to be incurred. 	Not applicable

21. Identification of Certain Costs in Actual Capex and Opex

- 21.1 For any actual *capital expenditure* or *operating expenditure* reported in response to this *notice*, identify any part of that expenditure which can be attributed to any expenditure or cost that the *pipeline service provider* has incurred as a result of, or incidental to, a review under Part 5 – *Merits review and other non-judicial review* – of the *NGL*. Not applicable
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3. Schedule 3 – Historical Information

Requirement	Response
1. Provide Historical Financial Information	
<p>1.1 If not previously provided to the <i>AER</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) the <i>regulatory accounting principles and policies</i> and the <i>capitalisation policy</i> for the relevant <i>regulatory year</i>; (b) the <i>cost allocation methodology</i> for the relevant <i>regulatory year</i>; (c) a statement of policy for determining: <ul style="list-style-type: none"> (i) the allocation of costs for the relevant <i>regulatory year</i>; and (ii) the allocation of overheads for the relevant <i>regulatory year</i>. 	<ul style="list-style-type: none"> (a) Please refer to Appendix 1 and Appendix 2. (b) The AGN Limited cost allocation methodology, which sets out the procedure of cost attribution to the AGN Limited group assets (i.e. the attribution of costs to AGN (SA), is included as RIN supporting document Appendix 3. (c) All costs that are allocated to AGN (SA) and to its pipeline services are performed in accordance with the AGN Limited cost allocation methodologies. <ul style="list-style-type: none"> (i) All allocated costs are relevant to each regulatory year with appropriate external audit procedures performed over these costs and in accordance with the RIN requirements. (ii) AGN Limited allocates overheads directly to its pipeline services and where it cannot, a causal driver is used to allocate these costs.
<p>1.2 Identify all <i>material</i> changes in the policies provided in the response to paragraph 1.1(c) compared to the previous <i>regulatory year</i>. For each change identified:</p> <ul style="list-style-type: none"> (a) explain the nature of and the reasons for the change; and (b) quantify the effect of the change on the <i>regulatory templates</i> for the relevant <i>regulatory year</i>. 	<p>There have been no changes to the methodology for the allocation of costs from a regulatory perspective within the current access arrangement period. Any regulatory cost allocation changes outlined in the supporting policy documents were made prior to 1 July 2016.</p>
2. Compliance with Current Access Arrangement	
<p>Cost pass through</p> <p>2.1 Describe in the materials submitted to the <i>AER</i> the processes and <i>procedures</i> the <i>pipeline service provider</i> has in place to:</p> <ul style="list-style-type: none"> (a) identify negative cost pass through events under the <i>current access arrangement</i>, and 	<p>Please refer to the AA Document.</p>

- (b) determine the materiality (as defined in clause 3.4 (c) of the *current access arrangement*) of cost decreases.

Tariff class assignment

Not applicable

- 2.2 Identify in the materials submitted to the *AER* each refusal the *pipeline service provider* has made during the relevant *regulatory year* to the *tariff class* nominated by a *user* or prospective *user* in its *request for service* under clause 4.1(c) of the *current access arrangement* including:
- (a) the name of the *user* or prospective *user*;
 - (b) the date upon which the request was made; and
 - (c) the date upon which the *pipeline service provider* responded to the request.

Tariff class re-assignment

Please refer to AA Document.

- 2.3 Describe in the materials submitted to the *AER* the processes and *procedures* the *pipeline service provider* has in place to determine if the re-assignment of a *delivery point* to a different *tariff class* under clause 4.2(a)(i) of the *current access arrangement* is necessary.

- 2.4 Identify in the materials submitted to the *AER* each *delivery point* re-assignment the *pipeline service provider* has made during the *relevant regulatory year* under clause 4.2 (a)(i) of the *current access arrangement* including:
- (a) the name of the *delivery point*;
 - (b) the date upon which the re-assignment occurred; and
 - (c) how many *users* were affected by the re-assignment.

Not applicable

- 2.5 Describe in the materials submitted to the *AER* the processes and *procedures* the *pipeline service provider* has in place to determine if the re-assignment of a *delivery point* to a different *tariff class* under clause 4.2(a)(ii) of the *current access arrangement* is necessary.

Please refer to the AA Document.

<p>2.6 Identify in the materials submitted to the <i>AER</i> each <i>delivery point</i> re-assignment the <i>pipeline service provider</i> has made during the <i>relevant regulatory year</i> under clause 4.2 (a)(ii) of the <i>current access arrangement</i> including:</p> <p>(a) the name of the delivery point;</p> <p>(b) the date upon which the re-assignment occurred; and</p> <p>(c) how many <i>users</i> were affected by the re-assignment.</p>	Not applicable
<p>2.7 Describe in the materials submitted to the <i>AER</i> the processes and <i>procedures</i> the <i>pipeline service provider</i> has in place to determine if the re-assignment of a <i>delivery point</i> to a different <i>tariff class</i> under clause 4.2(a)(iii) of the <i>current access arrangement</i> is necessary.</p>	Please refer to the AA Document.
<p>2.8 Identify in the materials submitted to the <i>AER</i> each tariff re-assignment the <i>pipeline service provider</i> has made during the <i>relevant regulatory year</i> under clause 4.2(a)(iii) of the <i>current access arrangement</i> including:</p> <p>(a) the <i>tariff class</i> which has been withdrawn;</p> <p>(b) the date upon which the <i>tariff class</i> was withdrawn; and</p> <p>(c) how many <i>users</i> were affected by the <i>tariff class</i> being withdrawn.</p>	Not applicable
<p>2.9 Describe in the materials submitted to the <i>AER</i> the processes and <i>procedures</i> the <i>pipeline service provider</i> has in place to determine if the re-assignment of a <i>tariff class</i> to a <i>delivery point</i> under clause 4.2(c) of the <i>current access arrangement</i> is necessary.</p>	Please refer to the AA Document.
<p>2.10 Identify in the materials submitted to the <i>AER</i> each tariff re-assignment the <i>pipeline service provider</i> has made during the <i>relevant regulatory year</i> under clause 4.2(c) of the <i>current access arrangement</i> including:</p> <p>(a) the name of the <i>user</i> who made the request;</p>	Not applicable

- (b) the date upon which the request was made; and
- (c) whether the *pipeline service provider* agreed to the request.

3. Cost Allocation to the Pipeline Service Provider

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| <p>3.1 Identify in the materials submitted to the <i>AER</i> each item in the <i>regulatory templates</i> that is:</p> <ul style="list-style-type: none"> (a) not allocated on a <i>directly attributable</i> basis but is allocated on a causation basis to the <i>pipeline service provider</i>; or (b) not allocated on a <i>directly attributable</i> basis and cannot be allocated on a causation basis to the <i>pipeline service provider</i>. | <p>Refer to the Cost Allocation Methodology document provided in Appendix 3 which includes details of costs that are allocated on a causation basis.</p> <p>AGN Limited does not have any costs that are not otherwise allocated on a causation basis.</p> |
| <p>3.2 For each item identified in the response to paragraph 3.1(a):</p> <ul style="list-style-type: none"> (a) state the amount of the item that has been allocated to the <i>pipeline service provider</i>; (b) explain the method of allocation and reasons for choosing that method; and (c) state the amount of each allocator used; and (d) explain the reason(s) why it cannot be directly attributed. | <p>The amount of any item that has been allocated to AGN (SA) is reported in Workbook 2 – Historical against the relevant category or sub-category of expenditure for which costs are allocated on a causation basis.</p> <p>Those categories or sub-categories of expenditure that have been allocated on a causation basis are identified in the Cost Allocation Methodology document – Appendix 3.</p> <p>The method of allocation, reason for choosing that method and the amount of each allocator used is outlined in the Cost Allocation Methodology document.</p> |
| <p>3.3 For each item identified in the response to paragraph 3.1(b):</p> <ul style="list-style-type: none"> (a) state the amount that has been allocated to the <i>pipeline service provider</i> and whether it was <i>material</i>; (b) explain the method of allocation and reasons for choosing that method; and (c) explain the reason(s) why it cannot be allocated on a causation basis. | <p>AGN Limited does not have any costs that are not otherwise allocated on a causation basis.</p> |

4. Cost Allocation to Pipeline Services

Note: Pipeline services refers to *haulage reference services, ancillary reference services, other reference services* and *non-reference services*.

- 4.1 Identify each item in the *regulatory templates* attached at Appendix A that is:
- (a) *directly attributable* to a pipeline service;
 - (b) not *directly attributable* but is allocated on a *causation basis* to a pipeline service;
 - (c) not *directly attributable* and cannot be allocated on a *causation basis* to a pipeline service.

The amount of any item that has been allocated to AGN (SA)'s pipeline services is reported in Workbook 2 – Historical against the relevant category or sub-category of expenditure for which costs are allocated on a causation basis.

Those categories or sub-categories of expenditure that have been allocated on a causation basis are identified in the Cost Allocation Methodology document (Appendix 3).

Please refer to Attachment 13.2 of the Final Plan.

- 4.2 For each item identified in response to paragraph 4.1(a), state the amount of the item that is *directly attributable* to each *pipeline service*.

The Cost Allocation Methodology document outlines the items in the regulatory templates that have been directly attributable to pipeline services. The amount of each item directly attributable to each pipeline services is reported in Workbook 2 – Historical.

- 4.3 For each item identified in the response to paragraph 4.1(b):
- (a) state the amount of the item that has been allocated to each *pipeline service*;
 - (b) explain the method of allocation and reasons for choosing that method; and
 - (c) state the amount of each allocator used; and
 - (d) explain why it cannot be directly attributed.

The amount of any item that has been allocated to AGN (SA)'s pipeline services is reported in Workbook 2 – Historical against the relevant category or sub-category of expenditure for which costs are allocated on a causation basis.

Those categories or sub-categories of expenditure that have been allocated on a causation basis are identified in the Cost Allocation Methodology document (Appendix 3).

The method of allocation, reason for choosing that method and the amount of each allocator used is outlined in the Cost Allocation Methodology document.

AGN Limited does not have any costs that are not otherwise allocated on a causation basis.

Please refer to Attachments 13.1-13.2 of the Final Plan.

- 4.4 For each item identified in the response to paragraph 4.1(c):
- (a) state the amount of the item that has been allocated to each *pipeline service* and whether it was *material*;

AGN Limited does not have any costs that are not otherwise allocated on a causation basis.

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- (b) explain the method of allocation and reasons for choosing that method; and
 - (c) explain the reason(s) why it cannot be allocated on a *causation basis*.
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4. Schedule 4 – Prepare and Maintain Information

Requirement	Response
<p>1. Prepare Information</p>	
<p>1.1 Prepare the Microsoft Excel Workbooks attached at Appendix A in the manner and form specified in the worksheets therein and in accordance with this <i>notice</i>.</p>	<p>AGN has completed all workbooks as required. Please refer to the relevant documents.</p>
<p>1.2 For information other than forecast information, prepare a <i>basis of preparation</i> in accordance with the requirements specified in Schedules 1, 2 and 3. The <i>basis of preparation</i> must:</p> <ul style="list-style-type: none"> (a) demonstrate how the information provided is consistent with the requirements of this notice; (b) explain the source from which the <i>pipeline service provider</i> obtained the information provided; (c) explain the methodology the <i>pipeline service provider</i> applied to provide the required information, including any assumptions the <i>pipeline service provider</i> made; and (d) explain, in circumstances where the <i>pipeline service provider</i> cannot provide input for a variable using <i>actual information</i> and therefore must provide input using <i>estimated information</i>: <ul style="list-style-type: none"> (i) why an estimate was required, including why it was not possible for the <i>pipeline service provider</i> to use <i>actual information</i>; and (ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate has been arrived on a reasonable basis and is the <i>pipeline service provider's</i> best estimate possible in the circumstances; and (e) explain, in circumstances where the <i>pipeline service provider</i> provides a "NULL" response as an input for a variable: 	<p>AGN has prepared a separate Basis of Preparation document (Please refer to RIN Attachment 2) explaining the source of information, assumptions and methodology used to populate the historical data templates. It also explains whether the data reported in 'actual information' or 'estimated information' using AGN's best estimates. Where AGN believes the data is not applicable, a "NULL" response is input as well as an explanation.</p>

- (i) why the pipeline service provider believes the variable is not applicable for the pipeline service provider.

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| <p>1.3 Prepare all information required under this <i>notice</i> in a manner and form:</p> <ul style="list-style-type: none"> (a) that is in accordance with the requirements at Schedules 1, 2 and 3 which: <ul style="list-style-type: none"> (i) is in an electronic format; (ii) includes any underlying calculations and formulae; (iii) is not password protected; (iv) where relevant, allows for precedents and dependants to be traced; and (v) is fully searchable, in text readable format and is capable of text selection and a 'copy and paste' function being applied to it (we prefer that all files be provided in Microsoft Word or PDF; templates must be in Microsoft Excel) and (b) that is readily available for inspection by, or submission to, the <i>AER</i>. | <p>AGN has prepared all information required by the notice as explained through this document.</p> |
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| <p>1.4 Prepare, using a person(s) who satisfies the requirements of paragraph 2 of Appendix C, an <i>audit opinion report</i> and <i>review conclusion statement(s)</i> (as applicable) in accordance with the requirements of this <i>notice</i>.</p> | <p>AGN has engaged an appropriate auditor to audit/review the RIN responses as required. Please refer to the RIN Attachment 17.</p> |
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2. Maintain Information

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| <p>2.1 The <i>pipeline service provider</i> must maintain all information prepared under this Schedule 4, for at least 7 years from the date of the submission.</p> | <p>AGN has kept complete records of all information prepared in this RIN response.</p> |
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5. Appendix E

5.1 Part A: General

Requirement	Response
General	
<p>1.1 The financial data must:</p> <ul style="list-style-type: none"> (a) be derived from the <i>audited statutory accounts</i>; (b) be verifiable by reference to the audited statutory accounts; (c) be prepared using the accrual basis of accounting; (d) report the substance, over the form, of a transaction, taking into account all aspects, implications and expectations of and motivations for the transaction and that a group or series of transactions that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate; (e) only include costs that are incurred in or relate to the provision of pipeline services; (f) be presented on a fair and consistent basis, from the accounting records that underlie the costs, revenue, assets employed and liabilities that may be reasonably attributed to the pipeline service provider; (g) in so far as is reasonably practicable, be prepared in accordance with the general rules and format, and use the accounting principles and policies applicable to the audited statutory accounts except as otherwise required by this notice; (h) be presented in an understandable manner, without sacrificing relevance or reliability; (i) state fairly the financial position of the pipeline service provider; and (j) unless otherwise specified, not be adjusted for inflation. 	<p>Workbook 2 – Historical has been prepared in accordance with the requirements listed in 1.1 (c) to (j).</p> <p>In relation to 1.1 (a) and (b) AGN Limited does not prepare audited statutory accounts for AGN (SA) which forms part of the consolidated group.</p> <p>Actual capital expenditure for AGN (SA) as reported in the Access Arrangement (AA) RIN has been determined with reference to:</p> <ul style="list-style-type: none"> • additions to AGN (SA)'s fixed assets register reconciled to reported Capex; • internal management reporting for AGN (SA); • regulatory accounting policies; and • the processes outlined in the Cost Allocation Methodology and the Basis of Preparation document which accompanies this RIN response.

Requirement	Response
<p>1.2 Provide all financial information on a regulatory year basis and set out:</p> <ul style="list-style-type: none"> (a) whether the information provided is actual information, estimated information or forecast information. For information which is forecast or estimated provide the basis of the forecast or estimate information in the basis of preparation; (b) the units of measurement for parameters or values used to derive or infer values; and (c) whether the information is expressed in nominal, real or another basis and include the base year of information where relevant. 	<p>Workbook 2 – Historical has been prepared in accordance with the requirements listed in 1.2 (a) to (c)</p>
<p>1.3 All financial information provided in the regulatory templates must be:</p> <ul style="list-style-type: none"> (a) on a regulatory year basis, unless otherwise specified; (b) actual or estimated financial information for the first three years of the current access arrangement period, with estimated financial information only included in the regulatory templates where the pipeline service provider certifies that it is not possible to provide actual historical information; (c) forecast financial information for year four of the current access arrangement period, to be updated with actual information when that becomes available during the review; (d) forecast information as appropriate for year five of the current access arrangement period; (e) forecast financial information for the next access arrangement period; and (f) where required, actual financial information for the five years of the previous access arrangement period. 	<p>Workbook 2 – Historical has been prepared in accordance with the requirements listed in 1.3 (a) to (f) as applicable to actual or estimated information. The financial information provided in Workbook 2 does not contain any forecast information for the current access arrangement period.</p> <p>Information provided in Workbook 1 contains only forecast financial information for the next access arrangement period as required in 1.3 (e).</p>
<p>1.4 All expenditure forecasts for the last two regulatory years of the current access arrangement period provided to the AER in response to</p>	<p>AGN has complied with these requirements</p>

Requirement	Response
this notice must be in real June 2021 dollars, unless specified otherwise.	
1.5 All expenditure forecasts for the next access arrangement period provided to the AER in response to this notice must be in real June 2021 dollars and on a regulatory year basis, unless specified otherwise.	AGN has complied with these requirements.
1.6 All historical financial information provided to the AER in response to this notice must be in nominal dollars, unless specified otherwise.	All financial information provided in Workbook 2 – Historical is expressed in nominal dollars for the year in which the expenditure was incurred.
1.7 Provide any calculations used to convert real to nominal dollars or nominal to real dollars for the purposes of providing the information required under paragraphs 1.2 and 1.3 above.	Please refer to Attachments 7.1 and 8.7 of the Final Plan.
<p>1.8 The pipeline service provider must for the Microsoft Excel Workbooks attached at Appendix A:</p> <ul style="list-style-type: none"> (a) complete and submit the workbooks and ensure they contain all information required by the <i>notice</i>. The file name for each of these workbooks is to contain the words 'Consolidated Information'; (b) highlight all information that is subject to a confidentiality claim in each workbook using the confidentiality macro in the workbook. The file name for each of these workbooks is to contain the word 'Confidential'; (c) copy all actual historical information into a new workbook. The file name for this workbooks is to contain the words 'Actual Information'; (d) copy all estimated historical information into a new workbook. The file name for this workbooks is to contain the words 'Estimated Information'; and 	AGN has prepared all the workbooks required by the Notice, marked confidential information appropriately and complied with the naming conventions.

Requirement	Response
<p>(e) prepare a public version of the consolidated version of each workbook.</p>	
<p>Reconciliation</p>	
<p>1.9 Where historical information provided in the regulatory templates has previously been reported to the AER:</p> <p>(a) this information must reconcile with the previously provided information; or</p> <p>(b) explain why the information does not reconcile with the previously provided information.</p>	<p>The reported overhead expenditure for 2015-16 in the AA RIN template varies to the previously reported Annual RIN for 2015-16 by \$2.2m.</p> <p>The \$2.2m reduction is reflected in each of the expenditure tables from E2 through to E13.</p> <p>In addition, the Capex reported for 2015-16 in the AA RIN template is a further \$0.9m less than previously reported in the Annual RIN for 2015-16. The \$0.9m reduction represents both direct costs and overheads and is reflected in table E13.</p> <p>Both variances are due to the reversal of prior period accruals that were not processed in the 2015-16 Annual RIN reported figures.</p>
<p>1.10 Capital expenditure and operating expenditure forecasts provided in the regulatory templates must be reconciled to the ex-ante capital and operating allowances in PTRM for the next access arrangement period.</p>	<p>AGN has complied with these requirements.</p>
<p>1.11 Actual capital and operating expenditure must be reconciled to the pipeline service provider’s audited statutory accounts. Where the pipeline service provider is part of a corporate group that reports this information at the corporate group level, the pipeline service provider must reconcile to the information reported at the corporate group level. Where reconciliation is at the corporate group level the pipeline service provider must:</p> <p>(a) allocate statutory reported expenditures to the pipeline service provider and indicate the method of allocation;</p> <p>(b) show calculations for any allocation; and</p>	<p>In relation to 1.11 (a) AGN Limited does not prepare audited statutory accounts for AGN (SA) which forms part of the consolidated group.</p> <p>However, AGN has reconciled capex reported in Workbook 2 – Historical for AGN (SA) to the additions to its AGN (SA) fixed assets register and to related movements in Property, Plant & Equipment in AGN Limited’s statutory accounts.</p>

Requirement	Response
(c) indicate where any changes in allocation method or calculations have occurred in relation to the historical data and how these changes have been adjusted for in the use of the data.	
1.12 Expenditure should only be reported once across the regulatory templates. Expenditure that may be allocated across multiple regulatory templates, including between capital expenditure purposes, between operating expenditure categories or between capital expenditure purposes and operating expenditure categories, should be allocated to the regulatory template that it most closely relates to in the pipeline service provider's audited statutory accounts.	AGN has complied with these requirements.
1.13 Where expenditure is recovered under another building block component allowances (e.g. cost of capital transaction costs) that could be classified as either operating expenditure or capital expenditure in regulatory or audited statutory accounts, demonstrate that this expenditure is only recovered once in the forecast total regulatory expenditure.	Please refer to Attachments 7.1 and 8.7 of the Final Plan.
Basis of Preparation	
1.14 The pipeline service provider must explain the basis upon which the pipeline service provider prepared information to populate the input cells (basis of preparation) for all information (other than forecast information) in the regulatory templates.	AGN has prepared a separate basis of preparation document for the historical information submitted in the templates. Please refer to RIN Attachment 2.
1.15 The basis of preparation must be a separate document (or documents) that the pipeline service provider submits with its completed regulatory templates.	AGN has prepared a separate basis of preparation document for the historical information submitted in the templates. Please refer to RIN Attachment 2.
1.16 The basis of preparation must follow a logical structure that enables auditors, assurance practitioners and the AER to clearly understand how the pipeline service provider has complied with the requirements of this notice.	AGN's Basis of Preparation document is structured using the same logical structure required by the RIN. Please refer to RIN Attachment 2.

Requirement	Response
1.17 At a minimum, the basis of preparation must meet the requirements of Schedule 4, paragraph 1.2.	AGN’s Basis of Preparation meets these requirements. Please refer to RIN Attachment 2.
1.18 The pipeline service provider may provide additional detail beyond the minimum requirements if the pipeline service provider considers it may assist a user to gain an understanding of the information presented in the regulatory templates.	AGN has provided further explanation in the Basis of Preparation document where it was needed. Please refer to RIN Attachment 2.
1.19 When reporting an audit opinion report, review conclusion statement or making an attestation report on the regulatory templates presented by the pipeline service provider, an auditor or assurance practitioner shall opine or attest by reference to this notice and the pipeline service provider’s basis of preparation.	The auditor engaged by AGN has attested reference to the Basis of Preparation in its audit opinions. Please refer to RIN Attachment 17.

Completing Workbooks

<p>Entry of variables</p> <p><i>Variables in yellow cells</i></p> <p>1.20 Cells coloured yellow require input. If a yellow cell is not applicable to the pipeline service provider the cell will be left blank as a “NULL” response. If the pipeline service provider wants to input a zero value, the input will be “0”.</p>	<p>AGN has completed all yellow cells in the templates. Where AGN was not able to complete templates that were not relevant or not applicable, the reasons for not providing the yellow cells has been explained in the Basis of Preparation.</p>
<p><i>Variables in grey cells</i></p> <p>1.21 Cells coloured grey do not require input and must not be amended by the pipeline service provider. These cells either are not relevant to the pipeline service provider or contain formulae.</p>	<p>AGN has not populated any grey cells.</p>
<p><i>Numerical inputs</i></p> <p>1.22 All amounts are to be unrounded and reported on a one for one basis: that is 1000 is to be entered as '1000', not `1' or `0.001'.</p>	<p>AGN has reported on a one for one basis in the units required.</p>

Requirement	Response
<p>Identification of confidential information</p>	<p>AGN has completed the workbooks as required and marked the confidential information appropriately. Please refer to relevant workbooks attached.</p>
<p>1.23 In respect of the regulatory templates, the pipeline service provider must:</p> <ul style="list-style-type: none"> (a) complete the applicable Microsoft Excel Workbooks attached at Appendix A; (b) highlight all information that is subject to a confidentiality claim using the confidentiality macro in the workbooks; (c) prepare a public version of the workbooks that may be published by the AER; (d) prepare a consolidated versions of the workbooks containing all confidential and public information; and (e) submit all Microsoft Excel Worksheets to us. 	<p>AGN has completed the workbooks as required and marked the confidential information appropriately. Please refer to relevant workbooks attached.</p>
<p>1.24 In respect of all other information provided in response to this notice, the pipeline service provider must:</p> <ul style="list-style-type: none"> (a) highlight all information that is subject to a confidentiality claim so that it can be clearly identified in print and electronic versions of the document; and (b) prepare a public version of the workbooks or documents that may be published by the AER. 	<p>AGN has for all other information provided in response to this RIN, marked confidential information that is subject to a confidentiality claim (Please refer to RIN Attachment 16) and prepared public versions of the workbooks (Please refer to relevant workbooks attached).</p>

5.2 Part B: Explanatory Instructions - Workbook 1 and Workbook 2

Requirement	Response
<p>Connections – Capital Expenditure</p>	
<p>2.2 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data, regulatory template</i> E5. New Connections - Table E5.2 instructions:</p>	<p>Please refer to Chapter 8 and Attachments 8.7 and 8.9 of the Final Plan.</p>

Requirement	Response
<p>(a) Provide supporting information for the data input into the table E5.2.1 Unit rates. For example, if the forecast is based on:</p> <p>(i) Contracts – provide <i>documents</i> which show that the contract outcomes are the result of a competitive tender and the contracts which specify the amounts relied upon; or</p> <p>(ii) Cost build up – provide the excel sheet model with sufficient information that the cost assumptions may be tested.</p>	
<p>Mains Augmentation – Capital Expenditure</p>	
<p>2.3 General:</p> <p>(a) Do not include <i>mains augmentation</i> information relating to connections in this worksheet. <i>Mains augmentation</i> in relation to connections are to be reported in <i>regulatory template</i> E5. New Connections (tables E5.1 and E5.2).</p>	<p>AGN has complied with these requirements.</p>
<p>2.4 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data, regulatory template</i> E3. Mains Augex - Table E3.1 instructions:</p> <p>(a) List each <i>mains augmentation project</i> for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of the <i>project</i> is greater than or equal to \$500,000 (real \$June 2021) in <i>regulatory template</i> E3. Mains Augex.</p> <p>(b) For each <i>mains augmentation project</i> provided in response to 2.4(a), report the expenditure incurred or forecast to be incurred for each <i>regulatory year</i> in table E3.1; and the length of pipeline added or forecast to be added in table E3.2.</p>	<p>AGN has complied with these requirements.</p>

Requirement	Response
<p>(c) For each <i>mains augmentation project</i> listed in table E3.1 and E3.2, specify in the materials submitted to the <i>AER</i> or <i>basis of preparation</i>:</p> <ul style="list-style-type: none"> (i) an <i>internal identification code</i>, in order to report actual <i>capital expenditure</i> against forecast <i>capital expenditure</i>; (ii) the <i>asset class</i> to which the <i>project</i> belongs. If the <i>project</i> has been allocated to multiple <i>asset classes</i>, provide the percentage allocations of the <i>project</i> to the <i>asset classes</i>; and (iii) the <i>project</i> name used internally. <p>(d) Provide the total <i>capital expenditure</i> for all <i>mains augmentation projects</i> in aggregate, for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of each <i>project</i> is less than \$500,000 (real \$June 2021).</p> <p>(e) Provide the length of pipeline for all <i>mains augmentation projects</i> in aggregate, for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of each <i>project</i> is less than \$500,000 (real \$June 2021).</p> <p>(f) The <i>capital expenditure</i> included in tables E3.1(A to E) are to be gross of <i>capital contributions</i>, with <i>capital contributions</i> separately reported in Table E3.1(F). Forecast <i>capital expenditure</i> must exclude escalation.</p>	
Mains Replacement Capital Expenditure	

Requirement	Response
<p>2.5 <i>Workbook 1 – Reset (forecast) data and Workbook 2 – Historical data, regulatory template E2. Mains Repex - Table E2.1.1 and Table E2.2.1 instructions:</i></p> <ul style="list-style-type: none"> (a) List each <i>proactive mains replacement project</i> for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of the <i>project</i> is greater than or equal to \$500,000 (real \$June 2021), in <i>regulatory template E2. Mains Repex</i>. (b) For each <i>proactive mains replacement project</i> provided in response to 2.5(a), report the expenditure incurred or forecast to be incurred for each <i>regulatory year</i> in table E2.1.1; and the length of pipeline added or forecast to be added in table E2.2.1. (c) For each <i>proactive mains replacement project</i> listed in table E2.1.1 and E2.2.1, specify in the materials submitted to the <i>AER</i> or <i>basis of preparation</i>: <ul style="list-style-type: none"> (i) an <i>internal identification code</i>, in order to report actual <i>capital expenditure</i> against forecast <i>capital expenditure</i>; (ii) the <i>asset class</i> to which the <i>project</i> belongs. If the <i>project</i> has been allocated to multiple <i>asset classes</i>, provide the percentage allocation of the <i>project</i> to the <i>asset classes</i>; and (iii) the <i>project</i> name used internally. (d) Provide the total <i>capital expenditure</i> for all <i>proactive mains replacement projects</i> in aggregate, for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total 	<p>AGN has complied with these requirements.</p>

Requirement	Response
<p>cumulative <i>capital expenditure</i> over the life of each <i>project</i> is less than \$500,000 (real \$June 2021).</p> <p>(e) Provide the length of the pipeline for all <i>proactive mains replacement projects</i> in aggregate, for which <i>capital expenditure</i> was incurred during the previous or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of each <i>project</i> is less than \$500,000 (real \$June 2021).</p> <p>(f) The <i>capital expenditure</i> included in Table E2.1.1(A to E) for <i>proactive mains replacements</i> are to be gross of <i>capital contributions</i>, with <i>capital contributions</i> separately reported in Table E2.1.1(F). Forecast <i>capital expenditure</i> expenditures must exclude escalation.</p>	
<p>2.6 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data, regulatory template</i> E2. Mains Repex - Table E2.1.2 instructions:</p> <p>(a) The <i>capital expenditure</i> included in Table E2.1.2(A to E) for <i>reactive mains replacements</i> are to be gross of <i>capital contributions</i>, with <i>capital contributions</i> separately reported in Table E2.1.2(F). Forecast <i>capital expenditure</i> expenditures must exclude escalation.</p>	<p>AGN has complied with these requirements.</p>
<p>Meter Replacement</p>	
<p>2.7 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data, regulatory template</i> E4. Meter replacement - Table E4.1.3 instructions:</p> <p>(a) The capital expenditure incurred for new meters acquired in the regulatory year is to be reported in table E4.1.1.</p> <p>(b) The capital expenditure incurred for meter installation for the regulatory year is to be exclusive of the unit cost of the new</p>	<p>AGN has complied with these requirements.</p>

Requirement	Response
<p>meter. The unit cost of the new meter is to be reported in table E4.1.1.</p> <p>(c) The <i>capital expenditure</i> incurred for new <i>meter</i> installations are inclusive of the expenditures to remove existing <i>meters</i>. If the existing <i>meters</i> are removed and not replaced, the removal expenditures incurred are to be treated as <i>operating expenditure</i>, and not reported in tables E4.1.1 to E4.1.4.</p>	
<p>2.8 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data, regulatory template E4</i>. Meter replacement – Table E4.1.1 to E4.1.4 instructions:</p> <p>(a) The <i>capital expenditure</i> included in tables E4.1.1 to E4.1.4(A to E) are to be gross of <i>capital contributions</i>, with <i>capital contributions</i> separately reported in Table E4.1.1 to E4.1.4(F). Forecast <i>capital expenditure</i> must exclude escalation.</p>	<p>AGN has complied with these requirements.</p>
<p>Non-Network: Telemetry Capital Expenditure</p>	
<p>2.9 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data, regulatory template E6</i>. Non Network - Table E6.5.1 instructions:</p> <p>(a) List each <i>telemetry capital expenditure project</i>, for which <i>capital expenditure</i> was incurred during the previous or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement</i>, and the total cumulative <i>capital expenditure</i> over the life of the <i>project</i> is greater than or equal to \$500,000 (real \$June 2020), in <i>regulatory template E6</i>. Non Network.</p> <p>(b) For each <i>telemetry capital expenditure project</i> provided in response to 2.9(a), report the expenditure incurred or forecast to be incurred for each <i>regulatory year</i> in table E6.5.1.</p>	<p>AGN has complied with these requirements.</p>

Requirement	Response
<p>(c) For each <i>telemetry capital expenditure project</i> listed in table E6.5.1, specify in the materials submitted to the <i>AER</i> or <i>basis of preparation</i>:</p> <ul style="list-style-type: none"> (i) an <i>internal identification code</i>, in order to report actual <i>capital expenditure</i> against forecast <i>capital expenditure</i>; (ii) the <i>asset class</i> to which the <i>project</i> belongs. If the <i>project</i> has been allocated to multiple <i>asset classes</i>, provide the percentage allocation of the <i>project</i> to the <i>asset classes</i>; and (iii) the <i>project</i> name used internally. <p>(d) Provide the total <i>capital expenditure</i> for all <i>telemetry projects</i> in aggregate, for which <i>capital expenditure</i> was incurred during the previous or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of each <i>project</i> is less than \$500,000 (real \$ June 2021).</p> <p>(e) The <i>capital expenditure</i> included in Table E6.5.1 (A to E) are to be gross of <i>capital contributions</i>, with <i>capital contributions</i> separately reported in Table E6.5.1(F). Forecast <i>capital expenditure</i> must exclude escalation.</p>	
<p>2.10 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data</i>, regulatory template E12. ICT - Table E12.1 instructions:</p> <p>(a) List each <i>ICT project</i> for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of the <i>project</i> is greater than or equal to \$500,000 (real \$June 2021), in <i>regulatory template</i> E12. ICT.</p>	<p>AGN has complied with these requirements.</p>

Requirement	Response
<p>(b) For each <i>ICT project</i> provided in response to 2.10(a), report the expenditure incurred or forecast to be incurred for each <i>regulatory year</i> in table E12.1.</p> <p>(c) For each <i>ICT project</i> listed in table E12.1, specify in the materials submitted to the <i>AER</i> or <i>basis of preparation</i>:</p> <ul style="list-style-type: none"> (i) an <i>internal identification code</i>, in order to report actual <i>capital expenditure</i> against forecast <i>capital expenditure</i>; (ii) the <i>asset class</i> to which the <i>project</i> belongs. If the <i>project</i> has been allocated to multiple <i>asset classes</i>, provide the percentage allocation of the <i>project</i> to the <i>asset classes</i>; and (iii) the <i>project</i> name used internally. <p>(d) Provide the total <i>capital expenditure</i> for all <i>ICT projects</i> in aggregate, for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the <i>next access arrangement period</i>, and the total cumulative <i>capital expenditure</i> over the life of each <i>project</i> is less than \$500,000 (real \$June 2021).</p> <p>(e) The <i>capital expenditure</i> included in Table E12.1 (A to E) are to be gross of <i>capital contributions</i>, with <i>capital contributions</i> separately reported in Table E12.1(F). Forecast <i>capital expenditure</i> must exclude escalation.</p>	
<p>Non-Network: Other Capital Expenditure</p>	
<p>2.11 <i>Workbook 1 – Reset (forecast) data</i> and <i>Workbook 2 – Historical data, regulatory template</i> E13. Other Capex - Table E13.1 instructions:</p> <p>(a) List each <i>other capital expenditure project</i>, for which <i>capital expenditure</i> was incurred during the <i>previous</i> or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast</p>	<p>AGN has complied with these requirements.</p>

Requirement	Response
<p>to be incurred over the <i>next access arrangement</i>, and the total cumulative <i>capital expenditure</i> over the life of the <i>project</i> is greater than or equal to \$500,000 (real \$June 2021), in regulatory template E13. Other Capex.</p> <p>(b) For each <i>other capital expenditure project</i> provided in response to 2.11(a), report the expenditure incurred or forecast to be incurred for each regulatory year in table E13.1.</p> <p>(c) For each <i>other capital expenditure project</i> listed in table E13.1, specify in the materials submitted to the <i>AER</i> or <i>basis of preparation</i>:</p> <p>(i) an <i>internal identification code</i>, in order to report actual <i>capital expenditure</i> against forecast <i>capital expenditure</i>;</p> <p>(ii) the <i>asset class</i> to which the <i>project</i> belongs. If the <i>project</i> has been allocated to multiple <i>asset classes</i>, provide the percentage allocation of the <i>project</i> to the <i>asset classes</i>; and</p> <p>(iii) the <i>project</i> name used internally.</p> <p>(d) Provide the total <i>capital expenditure</i> for all <i>other capital expenditure projects</i> in aggregate, for which <i>capital expenditure</i> was incurred during the previous or <i>current access arrangement period</i> or for which <i>capital expenditure</i> is forecast to be incurred over the next <i>access arrangement</i>, and the total cumulative <i>capital expenditure</i> over the life of each <i>project</i> is less than \$500,000 (real \$June 2021).</p> <p>(e) The <i>capital expenditure</i> included in Table E13.1 (A to E) are to be gross of <i>capital contributions</i>, with <i>capital contributions</i> separately reported in Table E13.1(F). Forecast <i>capital expenditure</i> must exclude escalation.</p>	
Capitalised Overheads Expenditure	

Requirement	Response
<p>2.12 General:</p> <p>(a) Ensure <i>capital expenditure</i>:</p> <p>(i) is consistent with the <i>pipeline service provider's cost allocation method</i> and <i>capitalisation policy</i>; and</p> <p>(ii) reconciles to the <i>pipeline service provider s audited statutory accounts</i>.</p> <p>(b) Set out any additional working calculations used to derive data that are allocated into particular columns in supporting worksheets.</p>	<p>Capitalised overheads expenditure reported in Workbook 2 – Historical is consistent with AGN’s Cost Allocation Methodology and Capitalisation Policy.</p> <p>Further, the amounts of capitalised overheads reported has been reconciled to the annual movements in the AGN (SA) fixed assets register and related movements in Property, Plant & Equipment in AGN Limited’s statutory accounts.</p> <p>Please refer to Attachment 8.7 of the Final Plan.</p>
Indicative Impact on Annual Gas Bills	
<p>2.13 General:</p> <p>(a) For the purposes of calculating the impact of the <i>pipeline service provider’s access arrangement proposal</i> on the annual gas bill of typical residential and business <i>customers</i> in «South Australia, provide the data/information required in <i>Workbook 4 – Indicative Bill Impact, regulatory template</i> Indicative Bill Impact.</p>	<p>AGN has completed the workbook in accordance with the RIN requirements.</p>
<p>2.14 <i>Workbook 4 – Indicative Bill Impact, regulatory template</i> Indicative bill impact - instructions:</p> <p>(a) complete the yellow cells in Table 1 Typical Gas Bill and Table 2 Indicative Annual Average Distribution Price Impact;</p> <p>(b) provide the data source for each input used for the calculation; and</p> <p>(c) outline the assumptions underlying the calculations.</p>	<p>Please refer to Chapter 12 and Attachments 12.1 and 12.2 of the Final Plan.</p> <p>The information for the retail bills was downloaded from the Energy Made Easy website (Origin and AGL).</p>
Operating Expenditure	

Requirement	Response
<p>2.15 General:</p> <p>(a) the <i>pipeline service provider</i> must provide reconciliation of the <i>operating expenditure</i> forecasts provided in the <i>regulatory templates</i> to the operating allowances in the <i>PTRM</i> for the <i>next access arrangement period</i>.</p>	<p>AGN has not changed its Opex categories</p>
<p>2.16 <i>Workbook 1 – Reset (forecast) data, regulatory template E20. Opex - Table E20.1 instructions:</i></p> <p>(a) specify the forecast of the:</p> <p>(i) <i>efficient operating expenditure</i> at the end of the <i>current access arrangement period</i> in dollars;</p> <p>(ii) effect of real price growth on <i>operating expenditure</i> in dollars;</p> <p>(iii) effect of output growth on <i>operating expenditure</i> in dollars;</p> <p>(iv) effect of productivity growth on <i>operating expenditure</i> in dollars;</p> <p>(v) value of <i>category specific forecasts</i> that year in dollars; and</p> <p>(vi) value of <i>step changes</i> to occur that year in dollars.</p> <p>(b) Reference the supporting information for the data input into the table. The required supporting information is set out in paragraphs 4 and 5 of Schedule 2 of this <i>notice</i>.</p>	<p>AGN has complied with this requirement.</p> <p>Please refer to Chapter 7 and Attachment 7.1 of the Final Plan.</p>
<p>2.17 <i>Workbook 1 – Reset (forecast) data, regulatory template E20. Opex - Table E20.2 instructions:</i></p> <p>(a) for each <i>regulatory year</i> specify the <i>operating expenditure</i>, inclusive of <i>related party margins</i> forecast to be incurred;</p>	<p>Not applicable</p>

Requirement	Response
<p>(b) for each <i>regulatory year</i> where the insurance expenditure relates to a deductible or an excess on a commercial insurance policy, specify the amount, of deductible risk to which the <i>pipeline service provider</i> was or is forecast to be exposed; and</p> <p>(c) reference the supporting information for the data input into the table. The required supporting information is set out in paragraph 4 and 5 of Schedule 2 of this <i>notice</i>.</p>	
<p>2.18 <i>Workbook 1 – Reset (forecast) data, regulatory template</i> E20. Opex - Tables E20.3 instructions:</p>	Not applicable
<p>(a) for each year specify the <i>related party margin</i> expenditure forecast to be incurred; and</p> <p>(b) The <i>pipeline service provider</i> is to reference the supporting information for the data input into the table. The required supporting information is set out in paragraph 4 and 5 of Schedule 2 of this <i>notice</i>.</p>	
Ancillary Reference Services	
<p>2.19 <i>Workbook 1 – Reset (forecast) data, regulatory template</i> E21. ARS instructions:</p>	Not applicable
<p>(a) if the <i>pipeline service provider</i> changes the <i>ancillary reference service</i> categories, the <i>pipeline service provider</i> must amend and backcast the data for all categories.</p>	
<p>2.20 <i>Workbook 1 – Reset (forecast) data, regulatory template</i> E21. ARS - Table E21.1 instructions:</p>	AGN has complied with this requirement.
<p>(a) ensure that the data provided reconciles to any applicable <i>internal planning models</i>.</p>	
<p>2.21 <i>Workbook 1 – Reset (forecast) data, regulatory template</i> E21. ARS - Table E21.3 instructions:</p>	AGN has complied with this requirement.

Requirement	Response
<ul style="list-style-type: none"> (a) for each year and for each <i>reference service</i> category specify the <i>operating expenditure</i> incurred, or expected to be incurred by the <i>pipeline service provider</i> for services provided; and (b) ensure that the data provided reconciles to <i>internal planning models</i> used in generating the <i>pipeline service provider's</i> proposed <i>revenue</i> requirements. 	
Revenue	
<p>2.22 <i>Workbook 1 – Reset (forecast) data, regulatory template</i> F3. Revenue instructions:</p> <ul style="list-style-type: none"> (a) if the <i>pipeline service provider</i> changes the tariff or <i>customer type</i>, the <i>pipeline service provider</i> must amend and backcast the data for all categories, and duplicate the relevant table to provide historical data based on the tariff or <i>customer type</i> that applied at that time. (b) In table F3.1.1 for each <i>regulatory year</i>, the <i>pipeline service provider</i> must forecast the revenue to be earned for each <i>haulage reference services</i> tariff during the <i>regulatory year</i>. The tariffs used for each year are to be mutually exclusive and collectively exhaustive. (c) In table F3.1.2 for each <i>regulatory year</i>, the <i>pipeline service provider</i> must forecast the stand alone cost per unit for each <i>haulage reference services</i> tariff listed in table F3.1.1. (d) In table F3.1.3 for each <i>regulatory year</i>, the <i>pipeline service provider</i> must forecast the avoidable cost per unit for each haulage reference services tariff listed in table F3.1.1. (e) In table F3.2 for each <i>regulatory year</i>, the <i>pipeline service provider</i> must forecast the revenue to be earned for each <i>ancillary reference services</i> category during the <i>regulatory year</i>. The <i>ancillary reference service</i> categories are to be mutually exclusive and collectively exhaustive. 	<p>(a) and (f) Not applicable AGN has complied with this requirement.</p>

Requirement	Response
<p>(f) In table F3.3 for each regulatory year, the pipeline service provider must forecast the revenue to be earned for each <i>rebateable services</i> category during the <i>regulatory year</i>. The <i>rebateable services</i> categories are to be mutually exclusive and collectively exhaustive.</p> <p>(g) In table F3.4 for each <i>regulatory year</i> the <i>pipeline service provider</i> must forecast the revenue to be earned for each <i>non-reference services</i> category during the <i>regulatory year</i>. These <i>non-reference services</i> categories are to be mutually exclusive and collectively exhaustive.</p>	
Customer Numbers	
<p>2.23 General:</p> <p>(a) if the <i>pipeline service provider</i> changes the tariff or <i>customer type</i>, the <i>pipeline service provider</i> must amend and backcast the data for all categories.</p>	Not applicable
<p>2.24 <i>Workbook 1 – Reset (forecast) data, regulatory template S1</i>. Customer numbers - Table S1.1 instructions:</p> <p>(a) for each <i>regulatory year</i>, the <i>pipeline service provider</i> must report for each <i>customer</i> category listed in table S1.1:</p> <p>(i) the total <i>customer connections</i> in the <i>regulatory year</i>, and</p> <p>(ii) total <i>customer disconnections</i> in the <i>regulatory year</i>.</p> <p>(b) The <i>customer</i> number on the last day of each <i>regulatory year</i> for each <i>customer</i> category listed in table S1.1 is the total of:</p> <p>(i) the <i>customer</i> number on the first day of each <i>regulatory year</i>,</p> <p>(ii) plus (+) the total <i>customer connections</i> in the <i>regulatory year</i>, and</p>	AGN has complied with this requirement.

Requirement	Response
<p>(iii) less (-) the total <i>customer disconnections</i> in the <i>regulatory year</i>.</p> <p>(c) The pipeline service provider must check that the difference between the total number of connections across all customer categories and the total number of disconnections across all categories equals the total number of new connections across all customer categories (in <i>regulatory template E5 - Connections</i>). If it does not, explain the difference.</p>	
<p>2.25 <i>Workbook 1 – Reset (forecast) data, regulatory template S1.2 Customer numbers - Table S1.2 instructions:</i></p> <p>(a) for each <i>regulatory year</i>, the <i>pipeline service provider</i> must report for each <i>haulage reference services tariff</i>:</p> <p>(i) in table S1.2.3 the total number of new and existing customers who have started using the <i>tariff</i>, and</p> <p>(ii) in table S1.2.4 the total number of existing customers who are no longer using the <i>tariff</i>.</p> <p>(b) The <i>customer</i> number on the last day of each <i>regulatory year</i> for each tariff listed in table S1.2.2 is the total of:</p> <p>(iv) the <i>customer</i> number on the first day of each <i>regulatory year</i> reported in table S1.2.1;</p> <p>(v) plus (+) the total number of new and existing customers who have started using the tariff reported in table S1.2.3; and</p> <p>(vi) less (-) the total number of existing customers who are no longer using the tariff reported in table S1.2.4.</p> <p>(c) The pipeline service provider must check that the difference between the total number of connections across all tariffs and the total number of disconnections across all tariffs equals the total number of new connections across all tariffs (in <i>regulatory</i></p>	<p>AGN has complied with this requirement.</p>

Requirement	Response
<p><i>template E5 - Connections</i>). If it does not, explain the difference.</p>	
<p>Consumption and Demand</p>	
<p>2.26 General:</p> <p>(a) if the <i>pipeline service provider</i> changes the tariff or <i>customer type</i> for the <i>next access arrangement period</i>, the <i>pipeline service provider</i> must amend and backcast the data for all categories, and duplicate the relevant table to provide historical data based on the tariff or <i>customer type</i> that applied at that time.</p>	<p>Not applicable</p>
<p>2.27 <i>Workbook 1 – Reset (forecast) data, regulatory template N1</i>. Demand instructions:</p> <p>(a) for each <i>regulatory year</i>, the <i>pipeline service provider</i> in table N1.1 must provide the volumes of gas metered delivered, or forecast to be delivered by <i>haulage reference services</i> for all customer categories listed.</p> <p>(b) for each <i>regulatory year</i>, the <i>pipeline service provider</i> must provide in table N1.2 the volumes of gas metered delivered, or forecast to be delivered by <i>haulage reference services</i> tariffs.</p> <p>For each <i>regulatory year</i> the <i>pipeline service provider</i> in table N1.2 is to provide all applicable tariffs. The tariffs used for each year are to be mutually exclusive and collectively exhaustive.</p>	<p>AGN has complied with this requirement.</p>
<p>Efficiency Carryover Mechanism</p>	
<p>2.28 To determine the incentive impact of the <i>pipeline service provider’s operating expenditures</i> in the <i>current access arrangement period</i>, the <i>pipeline service provider</i> must provide the required <i>operating expenditure data</i> in <i>Workbook 3 – Efficiency carryover mechanism</i>.</p>	<p>AGN has complied with this requirement.</p>

Requirement	Response
Related Party Margin	
2.29 General: <ul style="list-style-type: none"><li data-bbox="280 411 1115 571">(a) the <i>pipeline service provider</i> must provide in Workbook 1 – Forecast data and Workbook 2 – Historical data, regulatory templates E2 to E6, E12, E13 and E20 the <i>related party margin</i> a <i>related party</i> gains above its total actual costs in a <i>related party transaction</i> with the <i>pipeline service provider</i>.<li data-bbox="280 587 1115 721">(b) The <i>pipeline service provider</i> must provide the <i>related party margin</i>, irrespective of whether the <i>related party margin</i> is reported initially by the <i>related party</i> to the <i>pipeline service provider</i> in its <i>accounting records</i>.	Not applicable

5.3 Part C: Workbook 5

Workbook 5 is not required to be reported until 30 November 2020.