



**Multinet
Gas Networks**

Attachment 2.0

Basis of Preparation

Responses to the 2023/24 to 2027/28 Access Arrangement
Regulatory Information Notice

July 2022

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Overview

The Australian Energy Regulator (AER) served the '2023 -2028 Access Arrangement Regulatory Information Notice' (RIN) on Multinet Gas Networks (MGN) on its gas distribution networks in Victoria on 8 March 2022, under the National Gas Law (NGL). The RIN requires MGN to provide the information and prepare and maintain the information in the manner and form specified in the written notice which includes the following Regulatory Templates:

- Workbook 1 - Forecast data for regulatory years 2022, 1 Jan to 30 June 2023 and 2023/24 to 2027/28
- Workbook 2 - Historical data for regulatory years 2017 to 2021
- Workbook 3 - Efficiency Carryover Mechanism (ECM)
- Workbook 4 - Indicative Bill Impact
- Workbook 6 - Capital Expenditure Sharing Scheme (CESS)

The RIN requires MGN to submit the information to the AER on or before 5 pm Australian Eastern Standard Time on 1 July 2022.

Basis of Preparation

In accordance with the requirements of Section 1.2 of Schedule 4 of the RIN, MGN is required to prepare a Basis of Preparation **for all the information other than forecast information**, which must:

- demonstrate how the information provided is consistent with the requirements of the RIN;
- explain the source from which MGN used to provide the information;
- explain the methodology MGN has applied to provide the required information, including any assumptions MGN has made;
- explain in circumstances where MGN cannot provide input for a variable using actual information and therefore must provide input using estimated information:
 - why an estimate was required, including why it was not possible for MGN to use actual information;
 - the basis for estimate, including the approach used, assumptions made and reasons why the estimate has been arrived on a reasonable basis and is MGN's best estimate possible in the circumstance.
- explain, in circumstances where MGN provides a 'NULL' response as an input for a variable:
 - why we believes the variable is not applicable for MGN.

To satisfy the requirements of the RIN, MGN has prepared a Basis of Preparation (this document) which is structured to reflect the same section headings used in the relevant Workbooks with a table to include the following details to support the information provided:

- data source of the information provided;

- methodology and assumptions adopted to prepare the information;
- classification as actual or estimated information, including appropriate justification if estimated; and
- any additional comments to assist users of the information to understand the Basis of Preparation.

The Basis of Preparation document has included the historical information contained in the followings:

- Workbook 2 - Historical data for regulatory years 2017 to 2021
- Workbook 3 - Efficiency Carryover Mechanism (ECM)
- Workbook 6 - Capital Expenditure Sharing Scheme (CESS)

Workbook 2 - E2. Mains Repex

E 2.1 – Capex

E2.1.1 – Proactive – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
A. Direct Internal labour expenditure	MGN has categorised Network Overheads as 'Direct Internal Labour Expenditure'. The Network Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.	Actual		<p>The annual aggregate of overhead allocation for each Maintenance Activity Type (MAT) code is extracted from the same data file as the direct costs.</p> <p>Note: In the years 2017 to 2020 where costs could not be identified in relation to a specific suburb, they have been reclassified as 'Other Projects' with expenditure less than \$500,000.</p>
B. Direct Contractor expenditure	Data was sourced from cost data uploads from the Service Providers under the existing OMSA and	Actual		Note: Negative amounts reported in the RIN template

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Contract Payments to Contractors delivering projects awarded under competitive tender.</p> <p>Capex reported for Proactive Mains Replacement projects has been identified with reference to specific Work Breakdown Structure (WBS) projects that are mapped to MAT codes for Proactive Mains Replacement of DUH, DUM and RYP.</p> <p>The reported Proactive Mains Replacement projects are identified by the following projects in SAP:</p> <ul style="list-style-type: none"> • Agnes St Noble Park: MG-CPL-000040 & MG-COM-000333 • Ariel Ave Glen Iris: MG-COM-000482 & MG-CPL-000044 • Ashburton Rd Glen Iris: MG-CPL-000066 • Austin Ave Elwood: MG-CPL-000026 & MG-COM-000379 • Balwyn Nth - Mont Albert: MG-COM-000243, 000255 & 000261 • Balwyn Nth Cleanup: MG-COM-000240 • Barilla Rd Moorabbin: MG-CPL-000071 • Bath Rd Burwood: MG-CPL-000030 • Belford Rd Kew: MG-CPL-000059 • Bulleen and Thompsons Rd Renewal: MG-COM-000392 • Noel St Brighton East: MG-CPL-000050 • Oakleigh / Oakleigh South: MG-COM-000212, 000217 & 000330 • Parkdale-Mordialloc: MG-COM-000277 			<p>represent reversal of accruals or transfer of shared costs between projects.</p> <p>Note: In the years 2017 to 2020 where costs could not be identified in relation to a specific suburb, they have been reclassified as 'Other Projects' with expenditure less than \$500,000.</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • Pipeworks Kew Part 1: MG-COM-000198 • Princes St, Port Melbourne: MG-CPL-000055 • Prospect Hill to Elgar Rd Grid: MG-COM-000247 & MG-COM-000248 • Purtell St Bentleigh East: MG-CPL-000029 • Riversdale Rd Hawthorn: MG-CPL-000056 • Rosebank Lane Proving: MG-COM-000304 • Ruskin St, Elwood: MG-CPL-000083 • Scott St Dandenong: MG-CPL-000017 • Sinclair Ave, Edithvale: MG-CPL-000085 • Spenser Street St Kilda: MG-CPL-000045 • St Andrews St Brighton: MG-COM-000377 & MG-CPL-000003 • Stawell St Kew: MG-CPL-000041 • Stella Ave, Noble Park: MG-CPL-000002 & MG-COM-000401 • Strabane Ave Box Hill Nth: MG-CPL-000065 • Swansea Rd Chelsea (LXRA): MG-CPL-000061 • Talbot Cres, Kooyong: MG-CPL-000090 • Tarene St, Dandenong: MG-CPL-000001 • Vale Street St Kilda: MG-CPL-000042 & MG-COM-000427 • Valkstone St Bentleigh East: MG-CPL-000047 • Wallingford St Cheltenham: MG-CPL-000038 & MG-COM-000423 • Warra St Toorak (LXRA): MG-CPL-000053 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • Watson Grove, GlenHuntly: MG-CPL-000089 • Wattle Rd Hawthorn: MG-COM-000370 & MG-CPL-000018 • William St Hawthorn: MG-CPL-000036 • Wimmera St, Box Hill North: MG-CPL-000004 • Winfield Rd Balwyn Nth: MG-CPL-000028 & MG-COM-000406 • Wright St Bentleigh: MG-CPL-000062 • Yarrbat Ave, Balwyn: MG-CPL-000080 • Aughtie Dve St. Kilda: MG-CPL-000074 • Eastern Freeway Lrg Diameter Works: MG-COM-000392 • Graham St Port Melbourne: MG-CPL-000031 • M28 Eastern Network: MG-CPL-000068 • MP Cast Iron Pkg1 GW-Blackburn M43: MG-CPL-000054 • Annandale Cres, Glen Waverly (HDPE): MG-CPL-000087 • Bulleen to Balwyn Nth Grid Main: MG-COM-000078 • Carrum: MG-COM-000068 • Centre Rd, Bentleigh East: MG-COM-000213 • Chessell St Southbank: MG-CPL-000027 • Clarke St Elwood: MG-CPL-000046 • Court St Box Hill: MG-COM-000414 • Duggan St Balwyn North: MG-CPL-000020 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • Evans St, Port Melbourne: MG-CPL-000021 • Ferndale Rd Glen Iris: MG-CPL-000037 • Highett - Cheltenham PW: MG-COM-000074 • Kelvinside Rd Noble Park: MG-CPL-000035 • Kew East Grid: MG-COM-000157 • Kew Part 2: MG-COM-000218 • Lambert Rd Toorak: MG-CPL-000016 • Linda Cr Hawthorn: MG-CPL-000060 • Liston St Burwood: MG-CPL-000015 • Lwr Templestowe – Doncaster: MG-COM-000228 & -000229 • Monash St Box Hill Sth: MG-CPL-000005 • Nevis Street Camberwell: MG-COM-000332 • Nirvana Ave Malvern East: MG-CPL-000070 <p>Costs for all listed projects are assigned to Transmission and Distribution Asset Class.</p>			
C. Direct Material Expenditure	MGN does not incur Direct material expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
D. Other Director Expenditure	MGN does not incur Other Direct expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
E. Related Party margin expenditure	There was no Related Party margin attributable to Mains Repex work.			
F. Capital Contributions	<p>The Capital contributions received by MGN in relation to Proactive Mains Replacement Capex, include the following projects which are sourced from SAP:</p> <ul style="list-style-type: none"> • Swansea Road, Chelsea project: MG-CPL-000061; and • Warra Street, Toorak project in 2020: MG-CPL-000053. 	Actual		There is a reclassification of \$1.4 million of Customer Contributions from Mains Replacement to Other Capex in 2021. See Appendix A for details.

E2.1.2 – Reactive – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
A. Direct Internal labour expenditure	MGN has categorised Network Overheads as 'Direct Internal Labour Expenditure'. The Network			The annual aggregate of overhead allocation for each MAT code is

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.			extracted from the same data file as the direct costs.
- Mains		Actual		
- Services		Actual		
B. Direct Contractor expenditure	Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. The MAT codes for Reactive Mains Replacement are RAC, RAE, RAH, RAL, RAR, RAT, RAU & RGA.			
- Mains	For Mains, data has been sourced from the RGA Reactive MAT code. Costs for all Reactive Mains Replacement projects are assigned to Transmission and Distribution Asset Class.	Actual		
- Services	For Services, data has been sourced from the Reactive MAT codes of RAC, RAE, RAH, RAL, RAR, RAT & RAU.	Actual		The total amount reported for Mains Repex differs to what

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Costs for Service Renewals program are assigned to Services Asset Class.</p>			<p>was reported in the Historic Annual RINs for each year from 2017 to 2021. This is a result of the reclassification of 'Reactive Service Renewal' projects from Other Capex to Repex (refer also to E13 Other Capex). Please refer to the Appendix A for the detailed reclassified amount for each year.</p>
<p>C. Direct Material expenditure</p>	<p>MGN does not incur Direct material expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.</p>			
<p>- Mains</p>				
<p>- Services</p>				
<p>D. Other Direct expenditure</p>	<p>MGN does not incur Other Direct expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.</p>			
<p>- Mains</p>				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Services				
E. Related Party margin expenditure	There was no Related Party margin attributable to Mains Repex work.			
- Mains				
- Services				
F. Capital Contributions	There were no Capital contributions received by MGN in relation to Reactive Mains Replacement Capex.			
- Mains				
- Services				

E 2.2 – Volumes

E2.2.1 – Proactive – by Connection Type – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Low pressure to high pressure (metres replaced)	Volume data by project has been sourced, as follows:	Actual for 2017-2018 Estimate for 2019-2021	2019-2021 Project lengths are taken from GIS / SAP system data	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> 2017-2018: based on weekly construction reports, manually collated in a spreadsheet for reporting purposes; and 2019-2021: project data sheets entered into SAP and GIS and month-end status summary snapshots from GIS. <p>MAT codes of DUH & RYP (LP to HP) have been used to group minor projects.</p>		reports of mains decommissioned and include (1) constructed lengths, (2) mains laying efficiencies and (3) data validation when updating sources systems. Items 2 and 3 are prorated across projects (by length) for each reporting period.	
Low pressure to medium pressure (metres replaced)	There are no volumes to report in this category of connection type.			
Low pressure to low pressure (metres replaced)	There are no volumes to report in this category of connection type.			
Medium pressure to medium pressure (metres replaced)	There are no volumes to report in this category of connection type.			
Medium pressure to high pressure (metres replaced)	<p>Volume data by project has been sourced, as follows:</p> <ul style="list-style-type: none"> 2017-2018: based on weekly construction reports, manually collated in a spreadsheet for reporting purposes; and 2019-2021: project data sheets entered into SAP and GIS and month-end status summary snapshots from GIS. <p>The MAT code of DUM (MP to HP) has been used to group minor projects.</p>	<p>Actual for 2017-2018</p> <p>Estimate for 2019-2021</p>	<p>2019-2021</p> <p>Project lengths are taken from GIS / SAP system data reports of mains decommissioned and include (1) constructed lengths, (2) mains laying efficiencies and (3) data validation when updating sources systems. Items 2 and 3 are prorated</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
				across projects (by length) for each reporting period.
High pressure to high pressure (metres replaced)	There are no volumes to report in this category of connection type.			

E2.2.2 – Reactive – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Low pressure to high pressure	Volume data has been sourced, as follows: <ul style="list-style-type: none"> 2017-2018: based on weekly construction reports, manually collated in a spreadsheet for reporting purposes; and 2019-2021: project data sheets entered into SAP and GIS and month-end status summary snapshots from GIS. 			
- Metres of mains replaced	Volume data has been sourced from MAT code RGA, which includes the following LP to HP projects: <ul style="list-style-type: none"> Barkly Avenue, Armadale: MG-COM-000504 Grandview Road, Brighton: MG-CPL-000077 Victoria Avenue, Canterbury: MG-CPL-000092 	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Number of services replaced	Data has been sourced from MAT code RAL and RGA, which includes the following LP to HP projects:	Actual		
	<ul style="list-style-type: none"> Barkly Avenue, Armadale: MG-COM-000504 Grandview Road, Brighton: MG-CPL-000077 Victoria Avenue, Canterbury: MG-CPL-000092 			
Low pressure to medium pressure	There are no volumes to report in this category of connection type.			
- Metres of mains replaced				
- Number of services replaced				
Low pressure to low pressure	Volume data has been sourced from project data sheets entered into SAP and GIS			
- Metres of mains replaced	Data has been sourced from MAT code RGA, which includes the following LP to LP project:	Actual		
	<ul style="list-style-type: none"> 62-164 Williams Road, Prahran: MG-COM-000413 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Number of services replaced	There are no volumes to report in this category of connection type.			
Medium pressure to medium pressure	Volume data has been sourced from weekly construction reports, manually collated in a spreadsheet for reporting purposes.			
- Metres of mains replaced	Data has been sourced from MAT code RGA, which includes the following MP to MP project: <ul style="list-style-type: none"> Pickles Street, Port Melbourne : MG-COM-000318 	Actual		
- Number of services replaced	There are no volumes to report in this category of connection type.			
Medium pressure to high pressure	There are no volumes to report in this category of connection type.			
- Metres of mains replaced				
- Number of services replaced				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
High pressure to high pressure	Volume data has been sourced, as follows: <ul style="list-style-type: none"> 2017-2018: weekly construction reports, manually collated in a spreadsheet for reporting purposes; and 2019-2021: project data sheets entered into SAP and GIS and month-end status summary snapshots from GIS. 			
- Metres of mains replaced	Volume data has been sourced from MAT code RGA, which includes the following HP to HP projects: <ul style="list-style-type: none"> Melbourne Park Sporting Precinct: MG-COM-000313 Morokai Grove, Lilydale: MG-COM-000569 Spring Road, Highett: MG-COM-000574 	Actual		
- Number of services replaced	Data has been sourced from MAT codes RAC, RAE, RAH, RAR, RAT, RAU & RGA, which includes the following HP to HP project: <ul style="list-style-type: none"> Morokai Grove, Lilydale: MG-COM-000569 	Actual		

Workbook 2 - E3. Mains Augex

E3.1 – Capex by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
A. Direct Internal labour expenditure	<p>MGN has categorised Network Overheads as 'Direct Internal Labour Expenditure'. The Network Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.</p>	Actual		<p>The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.</p>
B. Direct Contractor expenditure	<p>Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender.</p> <p>Capex reported for Mains Augmentation projects has been identified with reference to specific WBS projects that are mapped to MAT codes for Mains Augmentation of DR, DRM & DRH.</p> <p>The reported Mains Augmentation projects are identified by the following projects in SAP:</p> <ul style="list-style-type: none"> • Oakleigh: MG-CPL-019, 033, 076 & 086 • Selkirk Ave, Knox: MG-CPL-000039 	Actual		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals or transfer of shared costs between projects</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • Sherbrooke Road, Sassafras: MG-CPL-079 & COM-172 • Old Coach Road, Kalorama: MG-CPL-081 and COM-562 • Toorak Rd 180P10: MG-CPL-000091 • Grandview Rd Brighton LP Reinforcement: MG-COM-000517 • Lang Lang Supply Main Augmentation: MG-CPL-063 & COM-510 • Hutton Street Regulator Upgrade: MG-COM-000172 & COM-000312 • Ringwood HP Augmentation: MG-CPL-000022 • 153 Glenferrie Rd, Malvern: MG-CPL-057 & COM-472 • Glenview Rd, Yarra Glen: MG-CPL-000007 • Harcrest Estate Augmentation: MG-COM-000417 • Vermont Outstation Stage 1 Knox HP: MG-COM-000115 • Yarra Glen City Gate Upgrade: MG-COM-000117 • Harris Gully Road, Warrandyte: MG-COM-000119 • Industrial Mains Extension: MG-COM-000302 <p>Costs for most projects are assigned to Transmission and Distribution Asset Class with the exceptions:</p> <ul style="list-style-type: none"> • Oakleigh <ul style="list-style-type: none"> ○ 75% Transmission and Distribution Asset Class ○ 25% Supply Reg/Valve Stations Asset Class 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • Vermont Outstation Stg1 Knox HP <ul style="list-style-type: none"> ○ 100% Supply Reg/Valve Stations Asset Class • Yarra Glen City Gate Upgrade <ul style="list-style-type: none"> ○ 100% Supply Reg/Valve Stations Asset Class 			
C. Direct Material expenditure	MGN does not incur Direct material expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
D. Direct Other Expenditure	MGN does not incur Other Direct expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
E. Related Party margin expenditure	There was no Related Party margin attributable to Mains Augmentation work.			
F. Capital Contributions	There were no Capital contributions received by MGN for Mains Augmentation Capex.			

E3.2 – Volumes – by Pressure Type – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Low pressure to low pressure (metres augmented)	<p>Volume data has been sourced from project data sheets entered into SAP and GIS.</p> <p>Data has been sourced from MAT code DRL, which includes the following LP to LP project:</p> <ul style="list-style-type: none"> Grandview Road, Brighton LP Reinforcement: MG-COM-000517 	Estimated	Project lengths are taken from GIS / SAP system data reports of mains decommissioned and include constructed lengths, mains laying efficiencies and data updates.	
Low pressure to medium pressure (metres augmented)	There are no volumes to report in this category of pressure type.			
Low pressure to high pressure (metres augmented)	There are no volumes to report in this category of pressure type.			
Medium pressure to Medium pressure (metres augmented)	There are no volumes to report in this category of pressure type.			
Medium pressure to High pressure (metres augmented)	There are no volumes to report in this category of pressure type.			
High pressure to high pressure (metres augmented)	<p>Volume data has been sourced, as follows:</p> <ul style="list-style-type: none"> 2017-2018: weekly construction reports, manually collated in a spreadsheet for reporting purposes; and 2019-2021: project data sheets entered into SAP and GIS. 	Estimated	Project lengths are taken from GIS / SAP system data reports of mains decommissioned and include constructed lengths, mains laying efficiencies and data updates.	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Data has been sourced from MAT code DRH, which includes the following HP to HP projects:</p> <ul style="list-style-type: none"> • Oakleigh: MG-CPL-019, 033, 076 & 086 • Selkirk Ave, Knox: MG-CPL-000039 • Lang Lang Supply Main Augmentation: MG-CPL-063 & MG-COM-510 • Ringwood HP Augmentation: MG-CPL-000022 • 153 Glenferrie Road, Malvern: MG-CPL-057 & MG-COM-472 • Glenview Road, Yarra Glen: MG-CPL-000007 • Harcrest Estate Augmentation: MG-COM-000417 			

Workbook 2 - E4. Meter Replacement

E4.1 - Capex

E4.1.1 – New Meters Acquired

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
A. Direct Internal labour expenditure	MGN has categorised Network Overheads as 'Direct Internal Expenditure'. The Network Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.			The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
B. Direct Contractor expenditure	Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Contractors delivering projects awarded under competitive tender.</p> <p>As Meter Replacements can be refurbished or new meters, replacement meter costs of Residential and Industrial and Commercial have been calculated using an average unit cost of refurbished costs and new meter purchase costs.</p> <p>The cost has been identified with reference to specific MAT codes of GDD, GGA, GGB, GGE, GGF, GGG, GGK, GGL, GGZ, GMB, GMC, CVS, CVL, CVM and CVN.</p> <p>All costs are assigned to Meters Asset Class.</p>			
- Residential	The cost is derived from the sum of SAP MAT codes GGA & GGZ less CVS multiplied by the cost of a new meter.	Actual		
- Industrial and Commercial	The cost is derived from the sum of MAT codes GGB to GGL less the sum of CVL, CVM and CVN multiplied the average unit cost.	Actual		
- Other	Volume data relates to new Tariff D meters, with the cost reflecting the agreed price with the customer.	Actual		
C. Direct Material expenditure	MGN does not incur Direct material expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Residential				
- Industrial and Commercial				
- Other				
D. Other Direct expenditure	MGN does not incur Other Direct expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
- Residential				
- Industrial and Commercial				
- Other				
E. Related Party margin expenditure	There was no Related Party margin attributable to Meter Replacement work.			
- Residential				
- Industrial and Commercial				
- Other				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
F. Capital Contributions	There were no Capital contributions received by MGN for Meter Replacement Capex.			
- Residential				
- Industrial and Commercial				
- Other				

E4.1.2 – Meter Refurbishment

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
A. Direct Internal labour expenditure	There are no Meter Refurbishment Capex costs reported, as MGN expense these costs.			
- Residential				
- Industrial and Commercial				
- Other				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
B. Direct Contractor expenditure	There are no Meter Refurbishment Capex costs reported, as MGN expense these costs.			
- Residential				
- Industrial and Commercial				
- Other				
C. Direct Material expenditure	There are no Meter Refurbishment Capex costs reported, as MGN expense these costs.			
- Residential				
- Industrial and Commercial				
- Other				
D. Other Direct Expenditure	There are no Meter Refurbishment Capex costs reported, as MGN expense these costs.			
- Residential				
- Industrial and Commercial				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Other				
E. Related Party margin expenditure	There was no Related Party margin attributable to Meter Refurbishment work.			
- Residential				
- Industrial and Commercial				
- Other				
F. Capital Contributions	There were no Capital contributions received by MGN for Meter Refurbishment Capex.			
- Residential				
- Industrial and Commercial				
- Other				

E4.1.3 – Meter Installation

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
A. Direct Internal labour expenditure	There are no Meter Installation Capex costs reported, as MGN expense these costs.			
- Residential				
- Industrial and Commercial				
- Other				
B. Direct Contractor expenditure	There are no Meter Installation Capex costs reported, as MGN expense these costs.			
- Residential				
- Industrial and Commercial				
- Other				
C. Direct Material expenditure	There are no Meter Installation Capex costs reported, as MGN expense these costs.			
- Residential				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial and Commercial				
- Other				
D. Other Direct Expenditure	There are no Meter Installation Capex costs reported, as MGN expense these costs.			
- Residential				
- Industrial and Commercial				
- Other				
E. Related Party margin expenditure	There was no Related Party margin attributable to Meter installation work.			
- Residential				
- Industrial and Commercial				
- Other				
F. Capital Contributions	There were no Capital contributions received by MGN for Meter installation Capex.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Residential				
- Industrial and Commercial				
- Other				

E4.1.4 – Other Meter Replacement Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
A. Direct Internal labour expenditure	There are no Other Meter replacements Capex costs.			
- Residential				
- Industrial and Commercial				
- Other				
B. Direct Contractor expenditure	There are no Other Meter replacements Capex costs.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Residential				
- Industrial and Commercial				
- Other				
C. Direct Material expenditure	There are no Other Meter replacements Capex costs.			
- Residential				
- Industrial and Commercial				
- Other				
D. Other Direct expenditure	There are no Other Meter replacements Capex costs.			
- Residential				
- Industrial and Commercial				
- Other				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
E. Related Party margin expenditure	There was no Related Party margin attributable to Other Meter Replacement work.			
- Residential				
- Industrial and Commercial				
- Other				
F. Capital Contributions	There were no Capital contributions received by MGN for Other Meter Replacement Capex.			
- Residential				
- Industrial and Commercial				
- Other				

E4.2 - Volumes

E4.2.1 – Number of New Meters Acquired

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Residential (#of new meters acquired)	Volume data has been sourced from SAP, with the meter count obtained from MAT codes GGA & GGZ less CVS.	Actual		
Industrial and commercial (#of new meters acquired)	Volume data has been sourced from SAP, with the meter count obtained from MAT codes GGB, GGE, GGF, GGG, GGH, G GK & GGL less CVL, CVM & CVN.	Actual		
Other (#of new meters acquired)	Volume data relates to new Tariff D meters, with the information sourced from copies of the Non-Standard Gas Connection (GCA) / Gas Shipper Forms.	Actual		

E4.2.2 – Number of Meters Refurbished

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Residential (# of refurbishable meters removed)	Volume data has been sourced from SAP, with the meter count obtained from MAT code NBR & GGZ.	Actual		
Industrial and commercial (# of refurbishable meters removed)	Volume data has been sourced from SAP, with the meter count obtained from MAT code NBU less refurbished Tariff D meters reported in Other.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Other (# of refurbishable meters removed)	Volume data relates to refurbished Tariff D meters, with the information sourced from copies of the GCA/Gas Shipper Forms.	Actual		
Residential (# of meters decommissioned)	Volume data has been sourced from SAP, with the meter count obtained from the sum of MAT meters replaced codes of NUS, NFS & NWS less NBR (refurbished).	Actual		
Industrial and commercial (# of meters decommissioned)	Volume data has been sourced from SAP, with the meter count obtained from the sum of MAT meters replaced codes of NUL, NFL, NWL & QCC less NBU (refurbished).	Actual		In 2017 MGN refurbished 743 I&C meters, but removed only 598. This generated additional stock of meters ready for future installation. The difference of 145 meters is presented as a negative value of decommissioned meters.
Other (# of meters decommissioned)	There are no volumes to report in this category.			

E4.2.3 - Number of Meters Installed

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Residential (# of meters installed)	Volume data has been sourced from SAP, with the meter count obtained from the sum of MAT meters replaced codes of NUS, NFS & NWS.	Actual		
Industrial and commercial (# of meters installed)	Volume data has been sourced from SAP, with the meter count obtained from the sum of MAT meters replaced codes of NUL, NFL, NWL & QCC.	Actual		
Other (# of meters installed)	Volume data relates to Tariff D meters, with the information sourced from copies of the GCA/Gas Shipper Forms.	Actual		The 2021 data also includes Flow and Temp Correctors

E4.2.4 – Number of Meters Removed/Decommissioned

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Residential (# of meters)	Volume data has been sourced from SAP, with the meter count obtained from the sum of MAT meters replaced codes of NUS, NFS & NWS less NBR (refurbished).	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Industrial and commercial (# of meters)	Volume data has been sourced from SAP, with the meter count obtained from the sum of MAT meters replaced codes of NUL, NFL, NWL & QCC less NBU (refurbished).	Actual		In 2017 MGN refurbished 743 I&C meters, but removed only 638. This generated additional stock of meters ready for future installation. The difference of 105 meters is presented as a negative value of decommissioned meters.
Other (# of meters)	There are no volumes to report in this category.			

E4.2.5 – Other Meter Replacement Volume

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Residential (# of meters)	There are no volumes to report in this category of meter replacement.			
Industrial and commercial (# of meters)	There are no volumes to report in this category of meter replacement.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Other (# of meters)	There are no volumes to report in this category of meter replacement.			

Workbook 2 - E5. New Connections

E5.1 - Expenditure

E5.1.1 – Capex – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
A. Direct Internal labour expenditure	MGN has categorised Network Overheads as 'Direct Internal Labour Expenditure'. The Network Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.			The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
- Electricity to gas	There are no new connections of this type			
- New homes		Actual		
- New medium density/high rise	MGN does not hold data regarding the type or purpose of connected premises. There are no new connections reported to a classification of this type. The volumes that may apply to this classification are aggregated under "New Homes".			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial & commercial tariff		Actual		
- Industrial & commercial contract		Actual		
B. Direct Contractor expenditure	Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender.			
- Electricity to gas	There are no new connections of this type.			
- New homes	The cost has been identified with reference to specific SAP MAT codes as follows: <ul style="list-style-type: none"> • Mains - CZA, CZB, CGA & CGB • Inlets - CW range, excluding CWC • Meters - CVS 	Actual		
- New medium density/high rise	MGN does not hold data regarding the type or purpose of connected premises. There are no new connections reported to a classification of this type. The volumes that may apply to this classification are aggregated under "New Homes".			
- Industrial & commercial tariff	The cost has been identified with reference to specific SAP MAT codes as follows: <ul style="list-style-type: none"> • Mains - CFA & CFB 	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> Inlets - CRG & CWC less Tariff D and L (I&C Contract) Meters - CVL to CVN, CA range & GDD 			
- Industrial & commercial contract	The cost has been identified with reference to Tariff D and Tariff L. The cost has been assigned to Inlets as there is no breakdown of the costs.	Actual		
C. Direct Material Expenditure	MGN does not incur Direct material expenditure in relation to delivery of its Capex program. Delivery of MGN's Capex program is performed under the existing OMSA. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
- Electricity to gas				
- New homes				
- New medium density/high rise				
- Industrial & commercial tariff				
- Industrial & commercial contract				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
D. Other Direct expenditure	MG does not incur Other Direct expenditure in relation to delivery of its Capex program. Delivery of MG's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
- Electricity to gas				
- New homes				
- New medium density/high rise				
- Industrial & commercial tariff				
- Industrial & commercial contract				
E. Related Party margin expenditure	There was no Related Party margin attributable to New Connections work.			
- Electricity to gas				
- New homes				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- New medium density/high rise				
- Industrial & commercial tariff				
- Industrial & commercial contract				
F. Capital Contributions				
- Electricity to gas	There were no Capital contributions received by MGN for this connection type.			
- New homes	Total customer contributions received via Retailers less Tariff D & Tariff L (I&C) contributions.	Actual		MGN receives monthly aggregated contributions via the Retailers. There is no system data recorded to enable disaggregation into the AER groupings
- New medium density/high rise	There were no Capital contributions received by MGN for this connection type.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial & commercial tariff	There were no Capital contributions received by MGN for this connection type.			
- Industrial & commercial contract	Manual data extraction for Tariff D and L, from GCAs	Actual		

E5.2 - Unit Rates

E5.2.1 – Unit Rates – Per Connection – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Electricity to gas	There are no new connections of this type.			
- Distribution mains (per meter per connection)				
- Inlet services pipes (per service per connection)				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Meters (number per connection)				
New homes				
- Distribution mains (per meter per connection)	Unit rates have been determined by dividing the new home mains direct contractor expenditure (reported in Table E5.1.1 above) by the number of distribution mains meters used for new connections (Obtain by times the volumes of connects reported in table E5.3.1 with the volume per connections reported in Table E5.3.2 below)	Estimate	As the volume to calculate the unit rates are estimated	
- Inlet services pipes (per service per connection)	Unit rates have been determined by dividing the new home inlets direct contractor expenditure (reported in Table E5.1.1 above) by the number of new meters installed, as assumes 1 service per connection and 1 meter per connection.	Estimate	No supporting records available, so estimated at 1	
- Meters (number per connection)	Unit rates for meters have been calculated following the same methodology by dividing the direct expenditure by the number of new meters installed (meters per connection x new connections), as assumes 1 service per connection and 1 meter per connection.	Estimate	No supporting records available, so estimated at 1	
New medium density / high rise	There are no new connections of this type.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Distribution mains (per meter per connection)				
- Inlet services pipes (per service per connection)				
- Meters (number per connection)				
Industrial & Commercial Tariff				
- Distribution mains (per meter per connection)	Unit rates have been determined by dividing the I&C tariff mains direct contractor expenditure (reported in Table E5.1.1 above) by the number of distribution mains meters used for new connections (Obtain by times the volumes of connects reported in table E5.3.1 with the volume per connections reported in Table E5.3.2 below)	Estimate	As the volume to calculate the unit rates are estimated	
- Inlet services pipes (per service per connection)	Unit rates have been determined by dividing the I&C tariff inlets direct contractor expenditure on MAT code CWC by the number of I&C meters installed, as assumes 1 service per connection and 1 meter per service.	Estimate	No supporting records available, so estimated at 1	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Meters (number per connection)	Unit rates for meters have been calculated following the same methodology by dividing the direct expenditure by the number of new meters installed (meters per connection x new connections), as assumes 1 service per connection and 1 meter per connection.	Estimate	No supporting records available, so estimated at 1	
Industrial & Commercial Contract				
- Distribution mains (per meter per connection)				
- Inlet services pipes (per service per connection)	Unit rates have been determined by dividing the I&C contract inlets direct contractor expenditure estimated from the cost aggregate of the GCA/Shipper Forms divided by the number of I&C contract connections, as assumes 1 service per connection and 1 meter per service.	Estimate	No supporting records available, so estimated at 1	
- Meters (number per connection)				

E5.3 – Volumes

E5.3.1 – Number of new connections

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Electricity to gas (# of new connections)	There are no volumes to report in this category of new connections.			
New homes (# of new connections)	<p>Volume data has been sourced from SAP, with the meter count obtained from MAT codes as follows:</p> <ul style="list-style-type: none"> • Mains - CZA, CZB, CGA & CGB • Inlets - CW range, excluding CWC • Meters - CVS 	Actual		
New medium density / high rise (# of new connections)	There are no volumes to report in this category of new connections.			
Industrial & Commercial Tariff (# of new connections)	<p>Volume data has been sourced from SAP, with the meter count obtained from MAT codes as follows:</p> <ul style="list-style-type: none"> • Mains - CFA & CFB • Inlets - CRG & CWC less Tariff D & Tariff L (I&C Contract) • Meters – CVL, CVM and CVN 	Actual		
Industrial & Commercial Contract (# of new connections)	Volume data relates to the number of Tariff D and Tariff L connections, with the information sourced from copies of the GCA/Gas Shipper Forms.	Actual		

E5.3.2 – Volumes – Per Connection – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
Electricity to gas	There are no volumes to report in this category of new connections.			
- Distribution mains (metre per connection)				
- Inlet services pipes (service per connection)				
- Meters (# per connection)				
New homes				
- Distribution mains (metre per connection)	Mains volumes per connection have been determined by dividing the sum of the mains metre count of SAP MAT's CZA, CZB, CGA & CGB by the number of new connections (reported in Table E5.3.1)	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Inlet services pipes (service per connection)		Estimate	No supporting records available, so estimated at 1	
- Meters (# per connection)		Estimate	No supporting records available, so estimated at 1	
New medium density / high rise	There are no volumes to report in this category of new connections.			
- Distribution mains (metre per connection)				
- Inlet services pipes (service per connection)				
- Meters (# per connection)				
Industrial & Commercial Tariff				
- Distribution mains (metre per connection)	Mains volumes per connection have been determined by dividing the sum of the mains metre count of SAP MAT's CFA & CFB by the number of new connections (reported in Table E5.3.1).	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Inlet services pipes (service per connection)		Estimate	No supporting records available, so estimated at 1	
- Meters (# per connection)		Estimate	No supporting records available, so estimated at 1	
Industrial & Commercial Contract				
- Distribution mains (meter per connection)	There are no volumes to report in this category of new connections.			
- Inlet services pipes (service per connection)		Estimate	No supporting records available, so estimated at 1	
- Meters (# per connection)		Estimate	No supporting records available, so estimated at 1	

E5.4 – Capital Contributions

E5.4.1- Value of Capital Contributions – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Electricity to gas	There were no Capital contributions received by MGN for this connection type.			
New homes	Total customer contributions received via Retailers less Tariff D and Tariff L (I&C) contributions.	Actual		MGN receives monthly aggregated contributions via the Retailers. There is no system data recorded to enable disaggregation into the AER groupings.
New medium density / high rise	There were no Capital contributions received by MGN for this connection type.			
Industrial & Commercial Tariff	There were no Capital contributions received by MGN for this connection type.			
Industrial & Commercial Contract	Manual data extraction for Tariff D and L, from GCAs	Actual		

E5.4.2 – Number of Capital Contributions – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Electricity to gas	There were no capital contributions received by MGN for this connection type.			
New homes	MG receives monthly aggregated contributions via the Retailers. As there is no system data recorded to enable disaggregation into the AER groupings, this has resulted in a 'Null' response.			
New medium density / high rise	There were no capital contributions received by MGN for this connection type.			
Industrial & Commercial Tariff	There were no Capital contributions received by MGN for this connection type.			
Industrial & Commercial Contract	Count of manual data extraction for Tariff D and L, from GCAs	Actual		

Workbook 2 - E6. Non-Network

E6.5 – Telemetry

E6.5.1 – Capex – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
<p>2017-2021</p> <p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>				
A. Direct Internal labour expenditure	MGN has categorised Network Overheads as 'Direct Internal Labour Expenditure'. The Network Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.	Actual		The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
B. Direct Contractor expenditure	<p>Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender.</p> <p>Capex reported for Non-Network relates to Telemetry with reference to the SAP MAT codes of PRA, PRF, PZZ & PTA.</p> <p>The reported Non-Network (Telemetry) projects are identified by the following projects in SAP:</p> <ul style="list-style-type: none"> • Gas Detectors and Flow Meters: <ul style="list-style-type: none"> ○ MG-COM-000424 ○ MG-COM-000425 	Actual		Note: Negative amounts reported in the RIN template represent reversal of accruals or transfer of shared costs between projects A retrospective adjustment has been processed in 2021 to reclassify

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> ○ MG-COM-000451-01 ○ MG-COM-000452-01 ○ MG-COM-000453-02 ○ MG-COM-000474 ● Minor SCADA Projects: MG-COM-000295 & MG-COM-000429 ● NCC Relocation Project: MG-CPL-900000 ● Radios / RTUs and Pressure Transmitters: MG-COM-000422, 000466, 000477, 000489, 000514, 000528, 000549 & 000556 ● Remote Pressure Monitoring (Point Blue): MG-CPL-000052 & 000082 ● SCADA Control: MG-COM-000396, 000397, 000407 & 000442 ● SGP Chromatograph: MG-COM-000363 ● TRIO Radio Replacement & Streaming: MG-COM-000387 & MG-CPL-000058 <p>Costs for all projects are assigned to SCADA Asset Class.</p> <p>Note that the portion of costs for NCC Relocation Project covers the SCADA / Field SCADA equipment. The remainder of costs for this project are reported in tab E12 ICT and classified as IT system.</p>			<p>\$4.349 million of the Network Control Relocation project expenditure from Non-Network (Telemetry) to ICT. This follows a detailed review of the project life to date costs.</p>
C. Direct Material expenditure	MGN does not incur Direct material expenditure in relation to delivery of its Capex program. Delivery of MG's Capex program is performed under the existing OMSA. Accordingly this expenditure is reported as Direct Contractor expenditure above.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
D. Direct Other expenditure	MG does not incur Other Direct expenditure in relation to delivery of its Capex program. Delivery of MG's Capex program is performed under the existing OMSA and panel contractor arrangements. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
E. Related Party margin expenditure	There was no Related Party margin related to Non-Network (Telemetry) work.			
F. Capital Contributions	MG has received no Capital Contributions in relation to expenditure reported as Non-Network (Telemetry) capex.			

Workbook 2 - E10. Overheads

E10.1- Network

E10.1.1 – Opex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
Reference Services	MGN does not separately identify Opex overhead costs, therefore a Null response is provided to this RIN table.			
Non-reference Services	MGN does not separately identify Opex overhead costs, therefore a Null response is provided to this RIN table.			

E10.1.2 – Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p>			
Reference Services	<p>The Network Overheads reported as Capex in this table is the sum of the capitalised overheads reported under Direct Internal Labour Expenditure in each of the following schedules in the Workbook 2 including:</p> <ul style="list-style-type: none"> E2 Mains replacement E3 Mains Augmentation 	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> E4 Meter Replacement E5 New Connections E6 Non-Network-Telemetry E12 ICT E13 Other Capex 			
Non-reference Services	MGN has no Capex to report for Non-reference Services as all of its capital activities relate to Reference Services.			

E10.2 – Corporate

E10.2.1- Opex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Reference Services	MGN does not allocate or account for its internal corporate costs as overheads. Therefore a Null response is provided to this RIN table.			
Non-reference Services	MGN does not allocate or account for its internal corporate costs as overheads. Therefore a Null response is provided to this RIN table.			

E10.2.2 – Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021				
Reference Services	MGN does not allocate or account for its internal corporate costs as overheads. Therefore a Null response is provided to this RIN table.			
Non-reference Services	MGN does not allocate or account for its internal corporate costs as overheads. Therefore a Null response is provided to this RIN table.			

Workbook 2 - E12. Information and Communication Technology

E12.1 – Capex – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i>			
	<i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i>			
A. Direct Internal labour expenditure	MGN has categorised Overheads as 'Direct Internal Labour Expenditure'. The Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.	Actual		The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
B. Direct Contractor expenditure	<p>Data was sourced from actual costs invoiced by Service Providers and Contractors.</p> <p>The reported ICT projects are identified by the following projects in SAP:</p> <ul style="list-style-type: none"> • Corporate Desktop/Laptop: MG-CIT-000003 • End of Year FY changes: MG-CIT-000082 • IT Application Enhancement (Accenture): MG-CIT-000012 • IT Transition Project: MG-CIT-000084 • Security Program - MG: MG-CIT-000080 & 000092 • Work Planning & Scheduling MG: MG-CIT-000075 • Data Centre Capacity Expansion: MG-CIT-000099 • Enzen Minor Enhancements: MG-CIT-000086, 000093 & 000095 • GIS upgrade: MG-CIT-000089 • Life Support: MG-CIT-000096 • NCC transfer: MG-CIT-000100 • AGIG IT Strategy and Roadmap: MG-CIT-000091 & 000101 <p>All ICT projects reported form part of the IT system Asset Class.</p>	Actual		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals or transfer of shared costs between projects.</p> <p>A retrospective adjustment has been processed in 2021 to reclassify \$4.349 million of the Network Control Relocation project expenditure from Non-Network (Telemetry) to ICT. This follows a detailed review of the project life to date costs.</p>
C. Direct Material expenditure	Data was sourced from actual costs invoiced by Service Providers and Contractors. Individual MAT	Actual		Note: Negative amounts reported in the RIN template represent reversal of accruals or

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	codes for each cost category are listed as GIH and GIS.			transfer of shared costs between projects
D. Other Direct expenditure	MGN does not incur other direct expenditure in relation to delivery of its Capex program. Accordingly this expenditure is reported as Direct Contractor and Direct Material expenditures above.			
E. Related Party margin expenditure	There was no Related Party margin attributable to ICT work.			
F. Capital Contributions	MGN has received no Capital Contributions in relation to expenditure reported as ICT capex.			

Workbook 2 - E13. Other Capex

E13.1 – Other Capex – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2017-2021	<p><i>Refer to the Regulatory Cost Allocation Methodology document for a description of the systems and processes that support MGN's cost capture and reporting of Capex and related Network Overheads presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to MGN's policies and processes for cost allocation.</i></p>			
A. Direct Internal labour expenditure	<p>MGN has categorised Network Overheads as 'Direct Internal Labour Expenditure'. The Network Overheads relate to capitalised labour costs which are pooled and allocated to each relevant category of Capex on a pro-rata basis, based on the amount of overhead costs and the level of direct expenditure incurred in each Capex project.</p>	Actual		<p>The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.</p>
B. Direct Contractor expenditure	<p>Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender.</p> <p>Capex reported for Other Capex relates to Non Network; Accommodation; Performance - Other; Replacement - Other; Large Recoverable Works & Other.</p> <p>The reported Other Capex - Non Network include the following projects in SAP:</p> <ul style="list-style-type: none"> Gas Detection Equipment: MG-COT-000022 & 000026 	Actual		<p>The total amount reported for Other Capex differs to what was reported in the Historic Annual RIN for each year from 2017 to 2021. This is a result of the reclassification of Reactive Service Renewals from Other Capex to Mains Repex. (refer</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> Specialist Tools and Equipment: MG-COT-000028, 000029, 000034 & 000039 <p>Costs for above projects are assigned to Other - Non IT.</p> <p>The reported Other Capex - Accommodation include the following projects in SAP:</p> <ul style="list-style-type: none"> Facilities - Lease fitout: MG-COT-000023 Facilities - Modifications: MG-COT-000023, 000045, 000046 & 000080 South Melbourne Yard Capital Works: MG-COT-000025 & 000033 <p>Costs for all above projects are assigned to Buildings Asset Class.</p> <p>The reported Other Capex - Performance Other include the following projects in SAP:</p> <ul style="list-style-type: none"> Transmission Pipeline Management: MG-COM-000254 MG-COM-000310 MG-COM-000314 MG-COM-000325 MG-COM-000338 MG-COM-000355 MG-COM-000395 MG-COM-000441 MG-COM-000488 MG-COM-000516 MG-COM-079154 			<p>also to E2 Mains Repex). Please refer to Appendix A for the reclassified amount for each year.</p> <p>Note: Negative amounts reported in the RIN template represent reversal of accruals or transfer of shared costs between projects.</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>MG-COM-079254 MG-COM-179259 MG-COT-000024 MG-COT-000032</p> <p>Costs for the above project are assigned to Transmission and Distribution Asset Class.</p> <ul style="list-style-type: none"> • New Cathodic Protection Works: MG-COT-000032 & 000529 • Existing Cathodic Protection Works: MG-COM-000128, 000177, 000431, 000479, 000496, 000530 & 000558 <p>Costs for the above projects are assigned to Cathodic Protection Asset Class.</p> <ul style="list-style-type: none"> • Distribution Valves: MG-COM-000062, 000076, 000154, 000234, 000253, 000281, 000287, 000547 <p>Costs for the above projects are assigned to Supply Reg/Valve Stations Asset Class.</p> <p>The reported Other Capex - Replacement Other include the following projects in SAP:</p> <ul style="list-style-type: none"> • ASR - 3G Modem Upgrade: MG-COM-000022 & 000214 <p>Costs for the above project are assigned to SCADA Asset Class.</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • ASR - Equipment Enclosures: MG-COM-000448, 000463 & 000485 • ASR - Pit Lid Replacements: MG-COM-000334-000337 & 000354 • ASR - Vent Stack Installations: MG-COM-000434 & 000534 • RJA - Pit lid replacements North: MG-COM-000232 <p>Costs for the above projects are assigned to Other - Non IT Asset Class.</p> <ul style="list-style-type: none"> • ASR - Fisher 298 Regulator Replacement 18: MG-COM-000356 • ASR - Grove Regulator Replacements: MG-COM-000364, 000415 & 000455 • ASR - I&C Axial Flow Reg Mods: MG-COM-000365 • ASR - I&C Regulator Replacements 2017: MG-COM-000282 & 000366 • ASR - I&C Regulator Replacements 2018: MG-COM-000357 • ASR - I&C Regulator Replacements 2019: MG-COM-000420 • ASR - I&C Regulator Replacements 2020: MG-COM-000467 • ASR - Install Gas Detectors South FY16: MG-COM-000435 • ASR - Springvale & Cheltenham Reg Repl: MG-COM-000437 • Fisher Replacements: MG-COM-000356 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • Kooyong & Glen Eira Repl. Works: MG-COM-000292 • Minor Projects - Replacement: Various MG-COM projects • RJA - Cadbury Valve Replacement: MG-COM-000250 • RJA - Jordan Actuator Replacements: MG-COM-000249 & 000258 <p>Costs for the above projects are assigned to Supply Reg/Valve Stations Asset Class.</p> <p>The reported Other Capex - Mains Alterations/Large Recoverable Works include the following projects in SAP:</p> <ul style="list-style-type: none"> • Chelsea Rail Crossing: <ul style="list-style-type: none"> ○ MG-COM-000490 ○ MG-COM-000502 ○ MG-COM-000506 ○ MG-CPL-000061 • Warburton Natural Gas Extension: MG-COM-000160 & MG-COM-000352 • LRW - Oliver Ave Rail Abandonment: MG-COM-000381 & MG-COM-000159 			
C. Direct Material expenditure	<p>Data was sourced from SAP for direct purchases relating to vehicles and specialist office equipment.</p> <ul style="list-style-type: none"> • Gas Operations Vehicles: MG-COT-000039 	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Costs for the above project are assigned to Other - Non IT Asset Class.</p> <ul style="list-style-type: none"> • Facilities - Specialist Office Equipment: MG-COT-000039 <p>Costs for the above project are assigned to Buildings Asset Class.</p>			
D. Other Direct expenditure	MGN does not incur other direct expenditure in relation to delivery of its Capex program. Accordingly this expenditure is reported as Direct Contractor and Direct Material expenditures above.			
E. Related Party margin expenditure	There was no Related Party margin attributable to Other Capex work.			
F. Capital Contributions	<p>The Capital contributions received by MGN in relation to Other Capex, include projects such as the following which are sourced from SAP:</p> <ul style="list-style-type: none"> • Warburton Natural Gas Extension: MG-COM-000160 • Highett Relocation Works: MG-COM-000350 Actual • Lilydale Rail Crossing: MG-COM-000491 • Mooroolbark Rail Crossing: MG-COM-000497 • SGH Dandenong Sth: MG-COM-000520 			<p>There is a reclassification of \$1.4 million of Customer Contributions from Mains Replacement to Other Capex in 2021. See Appendix A for details.</p>

Workbook 3 - Efficiency Carryover Mechanism

7.5.1 – The carryover amounts that arise from applying the ECM during the current regulatory control period

7.5.1.1 – Opex Allowance applicable to ECM

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Total Opex Allowance	<p>2016-2017 (\$Dec 2012) AER approved forecast in \$Dec 2012 from AER published MGN's Final Decision PTRM March 2013 (EXC debt raising costs, INC ancillary reference services excluding UAFG).</p> <p>2018-2021 (\$Dec 2017) AER approved forecast in \$Dec 2017 from AER published MGN's Final Decision PTRM 2018-2022 (inc debt raising costs, ancillary reference services excluding UAFG).</p>	Estimate	Estimate approved by AER as part of prior GAAR.	2016-2017 Follows same logic as AER Draft Decision Efficiency Carryover mechanism which was used for Final Decision. 2018-2022 follows logic set out in Access Arrangement.
Debt raising costs	<p>2016-2017 (\$Dec 2012) Not included.</p> <p>2018-2021 (\$Dec 2017) AER approved forecast in \$Dec 2017 from AER published MGN's Final Decision PTRM 2018-2022.</p>	Estimate	Estimate approved by AER as part of prior GAAR.	2016-2017 Follows same logic as AER Draft Decision Efficiency Carryover mechanism which was used for Final Decision. 2018-2022 follows logic set out in Access Arrangement.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Insurance	N/A			
Superannuation costs for defined benefits and retirement schemes	N/A			
Other specific non controllable costs	N/A			
Retailer of last resort costs	N/A			
Capitalisation policy changes	N/A – constant regulatory capitalisation policy through AA.			
Change in scope adjustment	<p>2016-2017 \$2012 AER - Draft Decision Efficiency Carry-over Mechanism (ECM) Model - July 2017.</p> <p>2018-2021 NA</p>	Estimate	Carry over estimate based on these amounts approved by AER as part of prior GAAR.	2016-2017 Follows same logic as AER Draft Decision Efficiency Carryover mechanism which was used for Final Decision. 2018-2022 follows logic set out in Access Arrangement (no change in scope adjustment)

7.5.1.2 – Actual and Estimated Opex applicable to ECM

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Total Opex	<p>2016-2017 (\$Nominal) From unpublished MGN's Annual RIN Reporting Templates submitted to the AER (inc debt raising costs, ancillary reference services excluding UAFG).</p> <p>2018-2021 (\$Nominal) From published (2021 yet to be published) MGN's Annual RIN Reporting Templates (inc debt raising costs, ancillary reference services excluding UAFG).</p>	Actual		2016-2017 Follows same logic as AER Draft Decision Efficiency Carryover mechanism which was used for Final Decision and template sent from AER for half year carryover calculation in 2023. 2018-2022 follows logic set out in Access Arrangement
Debt raising costs	<p>2016-2017 (\$Dec 2012) From unpublished MGN's Annual RIN Reporting Templates submitted to the AER.</p> <p>2018-2021 (\$Nominal) From published (2021 yet to be published) MGN's Annual RIN Reporting Templates.</p>	Actual		2016-2017 Follows same logic as AER Draft Decision Efficiency Carryover mechanism which was used for Final Decision and template sent from AER for half year carryover calculation in 2023. 2018-2022 follows logic set out in Access Arrangement

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Insurance	N/A			
Superannuation costs for defined benefits and retirement schemes	N/A			
Other specific non controllable costs	2016-2017 (\$nominal) License Fees From unpublished MGN's Annual RIN Reporting Templates submitted to the AER.		Consistent with template sent from AER for half year carryover calculation in 2023.	2016-2017 Follows same logic as AER Draft Decision Efficiency Carryover mechanism which was used for Final Decision and template sent from AER for half year carryover calculation in 2023.
Opex associated with approved cost pass through	N/A			
Capitalisation policy changes	N/A			
Movements in provisions related to opex	2016-2017 (\$Nominal) Movement in provisions From unpublished MGN's Annual RIN Reporting Templates submitted to the AER Excludes UAFG provisions and Environmental provisions classified as non-reg.	Actual	Consistent with template sent from AER for half year carryover calculation in 2023.	As per access arrangements in 2016-2017 and 2018-2022, consistent with template sent from

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>2018-2021 (\$Nominal) Movement in provisions Calculated from provisions published (2021 yet to be published) in MGN's Annual RIN Reporting Templates. Excludes UAFG provisions and Environmental provisions classified as non-reg.</p>			<p>AER for half year carryover calculation in 2023.</p>

Workbook 6 - CESS

Reported Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Total Capex	2018-2021 Published MGN's Annual RIN Templates (2021 yet to be published)	2018-2021 Actuals/2022 Estimate	2022 not over by the time RIN due.	2022 Estimate sourced from Final Plan Roll-Forward Model
Customer Contributions	2018-2021 Published MGN's Annual RIN Templates (2021 yet to be published)	2018-2021 Actuals/2022 Estimate	2022 not over by the time RIN due.	2022 Estimate sourced from Final Plan Roll-Forward Model
Asset Disposal	2018-2021 Published MGN's Annual RIN Templates (2021 yet to be published)	2018-2021 Actuals/2022 Estimate	2022 not over by the time RIN due.	
Other excludable Capex	2018-2021 RIN F2.4.3 - MOVEMENT IN PROVISIONS ALLOCATED TO AS-INCURRED CAPEX	2018-21 Actuals/2022 Estimate	2022 not over by the time RIN due.	2022 Estimate sourced from Final Plan Roll-Forward Model

Reported Performance

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Customer numbers	ESV tracking report Distribution annual customers total	Actual		As specified by the AA to use ESV reporting.
Length of mains	Specification tracking spreadsheet reported to ESV Distribution annual Total KMS gas distribution mains	Actual		As specified by the GAAR to use ESV reporting.
Unplanned outages	Specification tracking spreadsheet reported to ESV Distribution quarterly Number of customers affected by unplanned outages for company as a whole	Actual		As specified by the GAAR to use ESV reporting.
Minutes off Supply	Specification tracking spreadsheet reported to ESV Distribution quarterly Number of minutes of gas supply lost through unplanned outages for company as a whole	Actual		As specified by the GAAR to use ESV reporting.
Publicly reported gas leaks	Specification tracking spreadsheet reported to ESV	Actual		As specified by the GAAR to use ESV reporting.

Appendix A – Consistency of Reset RIN Financial Data to Annual RINs

(1) Reclassification of Reactive Service Renewal Project expenditure

The total amount reported for Mains Repex differs to what was previously reported in the Annual RINs for each year from 2017 to 2021. This is a result of the reclassification of 'Reactive Service Renewal' projects from Other Capex to Repex. Please refer to the below table for the reclassification of Reactive Service Renewal project expenditure from Other Capex to Mains Replacement. This 'capex driver' reclassification aligns with the AA RIN Reactive Mains Replacement category classification and has no impact from a MGN RAB perspective.

Service Renewal Projects (Reclassified)	2017	2018	2019	2020	2021
MG-COM-000273: Commercial Renewal	41,922.13	11,124.94	4,059.61	11,899.16	200,237.29
MG-COM-000313: Enlargement				-88.12	
MG-COM-000318: High Pressure Renewal	165,940.18	92,778.94	13,711.13	298,782.04	444,046.85
MG-COM-000413: Low Pressure Renewal	509,445.98	439,901.13	520,087.20	577,580.64	672,949.86
MG-COM-000504: Relocation Renewal	-282.34	10,214.32		7,467.32	13,792.85
MG-COM-000569: Trunk Renewal	105,233.26	1,522.18	47,028.36	212,979.13	253,357.68
MG-COM-000574: Domestic Complex	5,132.51	771.32	9,506.91		11,858.69
Total Direct Cost	827,391.72	556,312.83	594,393.21	1,108,620.17	1,596,243.22
Overheads	47,454.28	39,854.11	77,892.99	54,054.85	120,118.30
Total Reactive Service Renewals Projects	874,846.00	596,166.94	672,286.20	1,162,675.02	1,716,361.52

(2) Reclassification of Customer Contributions

A reclassification of \$1.444 million of Customer Contributions was reclassified from Mains Replacement to Other Capex. The reclassification relates to the following regulated recoverable work projects:

- Lilydale Rail Crossing of \$0.575 million;
- South Gippsland infrastructure of \$0.564 million; and
- Mooroolbark Rail Crossing of \$0.305 million.