

Five year plan for our South Australian Network

July 2026 - June 2031



REVISED FINAL PLAN

January 2026

 Australian
Gas Networks

Contents

| | |
|--|-----------|
| Foreword from the CEO..... | 3 |
| Plan Updates | 8 |
| Background..... | 8 |
| Our Response to the Draft Decision..... | 8 |
| Our Revised Final Plan | 11 |
| Stakeholder Engagement | 13 |
| Next Steps | 16 |
| Structure of this revised Final Plan | 16 |
| Glossary | 17 |
| List of Attachments..... | 18 |

Foreword from the CEO

We are pleased to provide this Revised Final Plan for Australian Gas Networks (AGN) South Australian Access Arrangement for 2026/27 to 2030/31. The Revised Final Plan responds to the feedback provided by the Australian Energy Regulatory (AER) in its Draft Decision, along with input from the further consultations we have undertaken with our customers and stakeholders, as well as additional expert advice we have received.

Our Revised Final Plan proposes a 1.5% price increase (after inflation, or a 1.1% reduction in real terms) from 1 July 2026 and revenue of \$1,288.2m (\$2025/26, excluding ARS), with a similar price path to our Final Plan. This comes despite accepting many of the positions put forward by the AER in its Draft Decision and reflects that we have provided the additional information requested where placeholder values of zero were used. We are pleased that we are still able to deliver stable prices for our customers, while responding to the ongoing challenges and uncertainty that we face as a gas distribution network.

Our Revised Final Plan seeks to provide clearer explanation of our business strategy, particularly in regard to the energy transition, along with the further information requested by the AER to support certain expenditure proposals and initiatives.

Stakeholder engagement

Since submitting our Final Plan to the AER and receiving the Draft Decision, we have undertaken further targeted engagement with our customers and stakeholders, reflecting our ongoing commitment to genuine and sustained engagement.

In response to feedback from the AER, along with advice from the Consumer Challenge Panel and our South Australian Reference Group (SARG), we undertook additional customer engagement focused on two key areas, additional depreciation and tariff structures. This engagement was supported by tailored pre-reading materials to enable informed discussion of these topics.

Through this engagement, customers were presented with alternative scenarios reflecting both the AER's Draft Decision and our proposed approach, and were asked to consider their implications, including how impacts differ across customer groups and over time. The insights from this engagement, together with ongoing discussions with our SARG and industry stakeholders, have informed and shaped the proposals set out in this Revised Final Plan.

Managing the energy transition

Managing the low carbon energy transition is a major focus of our business. We have a range of strategies that we implement, which include:

- Regulatory – Ensuring regulatory frameworks understand and support our business as we implement the many strategies and actions required to remain viable and to continue to provide services to our customers through the low carbon energy transition;
- Awareness – Promote increased understanding of the role natural gas plays in the economy today and the low carbon gases we intend to supply our customers in the future;
- Projects – Support the delivery of renewable and carbon-neutral gases into our gas distribution networks; and
- Policy – Deliver the required policy to support renewable gas supply to our customers, similar to the substantial support provided to renewable electricity over many years including through to today.

Regulatory settings are crucial given nearly all revenue recovered by AGN SA is through the provision of regulated services to customers. Our Revised Final Plan sets out the many complementary initiatives and activities that we plan to deliver over the five-year regulatory period, along with the return on and of the past investments we have made in our South Australian gas distribution network.

We have not proposed in this plan that the return on our investment should be higher than we otherwise would receive due to the energy transition. We do however consider that additional depreciation is required. In considering this matter, stakeholders have historically considered whether additional depreciation is required to address a stranded asset risk or to ensure gas network services remain cost competitive into the future. Our approach addresses both drivers.

We continue to pursue our low carbon vision and consider our networks to be well placed to play a role in a low carbon energy future. However, challenges for gas distribution networks continue to evolve and there is uncertainty as to what the future network will look like and the role it will play. Our proposal to include only a modest amount of additional depreciation is informed by our ongoing efforts to pursue our low carbon vision, but at the same time starts to address the risk associated with uncertainty as the energy sector transitions.

Across our networks (including in South Australia) we are seeing customers electrify their gas appliances. This could occur due to appliance preference (a challenge we have always faced), price (or cost) of gas relative to electricity and/or that customers do not understand or believe that there is a low carbon future for gas supply in Australia.

There is considerable uncertainty over the role we will play into the future. This includes for how long we will be distributing natural gas to customers, whether renewable gas will become viable and the size of our customer base. These concerns stem from several factors, including:

- The lack of any implemented policy support for renewable gas in South Australia, in contrast to the significant policy support recently announced in New South Wales and under-development in Victoria (additional depreciation was provided to gas distributors in both states). There is also ongoing and substantial policy support provided to renewable electricity in South Australia;
- The significant declines in volumes used by our South Australian customers over this current period; and
- The lack of renewable gas being provided to South Australian customers at any meaningful scale, compared to an electricity system whereby the great majority (over 70%) of supply is renewable.

With regard to the last point, we sought to deliver Hydrogen Park Adelaide in the next AA period, which was planned to supply renewable gas at scale to customers located in Adelaide. The project was dependent on supportive policy being implemented, which was not forthcoming in the timeframes for this review. This has increased the uncertainty on our role in a low carbon energy future from the time we provided our initial plans.

Given this uncertainty, including the lack of any direct policy support for renewable gas in South Australia and/or provision of renewable gas to customers at scale, and observed and forecast growing declines in volumes, it is part of our strategy that we need to start addressing the risk of asset stranding in the next AA period.

Changing depreciation provides us with the flexibility needed to continue to provide services to our customers in a variety of different future environments. In fact, changing regulatory depreciation was the intended response to changes in the energy market when economic regulation of gas networks and pipelines was first established in Australia.

We propose an additional depreciation amount of \$70 million, which is equivalent to 0.6% of our average RAB per annum over the next AA period. We consider this to be the minimum amount needed to support flexibility intended within the regulatory framework, as well as mitigating risk both to us and our customers.

Importantly, while modest, these amounts also support our ongoing ability to access funding at levels and costs assumed in this plan by signalling to ratings agencies and financiers that the regulatory framework understands and will respond to the risks arising from the uncertainty we are currently experiencing.

Moreover, making these changes now promotes price stability today and into the future. One of the factors noted above contributing to electrification are relative prices between electricity and gas. Our proposal has also considered our price position against electricity into the future. This detailed modelling has shown that the proposed additional depreciation supports our price competitiveness against substitute fuels into the future.

Our view is that additional depreciation is therefore required in the next AA period to:

- address the increasing uncertainty over the role our network will play in a low carbon energy future;
- support a more stable price path for our customers now and into the future;
- support our price competitiveness into the future against substitutes, particularly renewable electricity; and
- provide assurance to ratings agencies and financiers that the regulatory environment supports our ability to recover our efficient costs (which is a fundamental requirement of the regulatory framework).

Making gradual changes to depreciation now is preferable to waiting until depreciation is no longer a viable tool for addressing asset stranding risks and/or price competitiveness. For example, delaying changes to depreciation to the point where there is a high certainty that a network will need to close will likely mean it is too late. This would result in a network being:

- unable to recover its previously approved prudent and efficient costs; and
- inefficient outcomes by either discouraging efficient investment or reducing capex in favour of opex.

The intent of the flexibility contained within the rules in respect of depreciation is to avoid these outcomes. The flexibility afforded to us and the regulator within the rules should therefore be utilised.

There has also been discussion on whether additional depreciation is consistent with growth capex, including for new customer connections. We note in this Revised Final Plan we have removed connections capex in-line with a decision made by the AEMC that this be directly customer funded. Regardless, we see additional depreciation being consistent with connecting new customers, both of which support improved price competitiveness now and in the future.

We have also consulted with our customers who we consider understand the concept and impact of additional depreciation on their bills – and continue to support this critical initiative.

Tariffs

Our proposed tariffs for our residential customers respond to the AER's Draft Decision prescribing a flatter structure to achieve emission reduction objectives, but we maintain that the customer impacts must be reasonable. We have not accepted a proposal to flatten tariffs for our larger industrial customers which would result in an inefficient cost redistribution between certain

customers, rather than a net emission reduction benefit, and could risk business viability of the operations affected.

Acknowledging continued stakeholder support for the long-standing price cap in place for our network, we have accepted the AER's Draft Decision to apply a new mechanism to control revenue in the next period. The AER has been clear in its objective to reduce the incentive to grow demand, and the new mechanism will return a share of the variation in our revenue beyond 5% to price levels more quickly.

Prudent and efficient expenditure

Our Revised Final Plan net capital expenditure proposal is \$337.2 million while operating expenditure is \$434.0 million.

The AER in its final decision allowed \$428 million over the next AA period. In comparison our revised gross capex forecast of \$446.7 million is \$18.7 million (4%) higher than the AER's Draft Decision, or \$56.3 million (11%) lower than the Final Plan. \$337.2 million represents the reduction to gross capex as a result of the connections rule change which means customers will pay for their connection to the network from October 2026.

The biggest drivers of the reduction to our capital expenditure forecasts are:

- The introduction of upfront charging of customers for assets associated with extension and connections to the network; and
- The IT Transition commencing earlier than previously forecast, meaning that we are already incurring costs in the current AA period.

We have also provided the additional information requested by the AER in its Draft Decision to demonstrate that proposed IT Transition and cyber security expenditure is prudent and efficient. We have therefore reinstated these aspects of our plan. With additional information, we have further reinstated our operating expenditure proposal to address safety risks with a prudent program to remove redundant services from the network.

Demand

Our demand forecast has been amended in response to feedback in the Draft Decision and to reflect forthcoming rule changes relating to the upfront charging for new connections. With these changes, we expect new connections to decrease by the end of the next AA period. Our revised demand forecast remains within the range of AEMO's demand projections published in the March 2025 Gas Statement of Opportunities.

Summary

Overall, our Revised Final Plan addresses the feedback in the Draft Decision and proposes constructive approaches to several key issues raised by the AER and stakeholders. The Revised Final Plan continues to deliver stable prices for customers consistent with our initial plan. We look forward to further engagement with our customers, stakeholders and the AER in the lead up to the Final Decision.

Craig de Laine

Chief Executive Officer

Australian Gas Infrastructure Group

Revised Final Plan



2026/27 – 2030/31

**Delivering for
South Australians, and
meeting the expectations of
our customers and
stakeholders by:**

- Keeping prices stable
- Maintaining a high level of safety and reliability
- Continuing our strong track record of customer service
- Positioning the network for long-term viability through the energy transition

**Stable
prices**
↑ **1.5%**
(after inflation)

Our plan from July 2026:



Customer Focussed

24,000 new connections

>82% customer experience
performance score



Operational Excellence

>98.5% public leak reports
within 2 hours

Continued replacement of
multi-user services



A Leading Employer

Target Zero Harm
across our operations

>80% health and safety
performance score



Sustainable Communities

Continue to deliver the
Priority Services Program

Connect renewable gas projects
to our network

Plan Updates

Background

Australian Gas Networks Limited (AGN) is part of the Australian Gas Infrastructure Group (AGIG), one of the largest gas infrastructure businesses in Australia. We deliver gas safely and reliably to more than 485,000 South Australian homes and businesses every year.

Under the National Gas Law (NGL) and National Gas Rules (NGR), enacted in South Australia in the *National Gas Access (South Australia) Act 2008*, we are required to propose revisions to the AGN SA Access Arrangement every five years. On 1 July 2025, we submitted our Final Plan to the Australian Energy Regulator (AER).

The Final Plan outlined the key activities and expenditure that we intend to undertake and the prices that we propose to charge over the next (2026/27 to 2030/31) AA period. It also highlights the feedback that we received from our customers and stakeholders, including on our Draft Plan.¹

On 28 November 2025, the AER released its Draft Decision on our Final Plan. This Revised Final Plan is our response to the Draft Decision.

Our Response to the Draft Decision

Table 1 provides a summary of the AER's Draft Decision and our response. The table notes whether we have accepted or have modified the Draft Decision in the Revised Final Plan. The table also provides a reference to the relevant attachment explaining the reasons for our approach.

The key areas we have modified relate to the IT Transition, Cyber Security and Meter Replacement in-line with the Draft Decision request for further information in these areas. We have also included additional depreciation of \$70 million to address the ongoing uncertainty of our role in a low carbon energy future and to ensure that we remain price competitive.

A document map is available in Attachment 1.3A. The Document Map outlines the structure of the initial Final Plan and highlights in blue new attachments included in this Revised Final Plan.

¹ We released our Draft Plan for public consultation in February 2020

Table 1: Summary of our response to the AER's Draft Decision

| Topic | AER Draft Decision | AGN Response | AGN Comment |
|--------------------------------|--------------------|---------------|--|
| Services | Accept | Accept | We have not made any changes to the services accepted by the AER. |
| Operating expenditure | Modify | Modify | <p>We maintain our Final Plan position on step changes for reasons explained in Attachments 8.5 and 8.6.</p> <p>We have updated the base year opex for 2024/25 actuals and updated UAFG forecasts (Attachment 8.7)</p> <p>Further information is detailed in Attachments 8.5 to 8.7.</p> |
| Capital expenditure | Modify | Modify | <p>We have provided the additional information requested by the AER in several key areas, particularly for IT Transition, cyber security and meter replacement demonstrating that these costs are prudent and efficient. We have included these costs in our Revised Final Plan.</p> <p>We have also updated current AA capex for more recent information where relevant.</p> <p>Further information is detailed in Attachments 9.8A, 9.13 – 9.18.</p> |
| Capital base | Modify | Modify | <p>We have updated our capital base for the latest available actual and forecast information. It is deemed modify as our revised capital base includes forecast capex for the next AA period not approved by the AER in its Draft Decision.</p> <p>Further information is detailed in Attachment 10.1A.</p> |
| Additional Depreciation | Reject | Reject | We have adopted the minimum additional depreciation coming from our modelling of \$70 million, reflecting the challenges currently before AGN SA and the changed dynamic since the submission of our original Final Plan in July 2025. Further information is provided in Attachment 6.5, supported by an expert report at Attachment 6.6. |
| Financing costs | Accept | Accept | <p>We have continued to adopt the AER's Rate of Return Instrument and the outcomes of the recent Tax Review and have updated calculations to reflect more recent data.</p> <p>Further information is detailed in Attachment 11.2.</p> |
| Incentives | Modify | Accept | <p>We have accepted the AER's modifications to the opex efficiency carryover mechanism (ECM) and the capital expenditure sharing scheme (CESS), consistent with the AER's Draft Decision.</p> <p>Further information is detailed in Attachment 12.3.</p> |
| Demand | Accept | Accept | Our consultant, Core Energy, have responded to a queries raised by the AER in its Draft Decision. We |

| Topic | AER Draft Decision | AGN Response | AGN Comment |
|----------------------------|-----------------------|---------------|---|
| | | | <p>have also updated for latest available information, including the impact of upfront connection charging.</p> <p>Further information is detailed in Attachments 13.1A, 13.2A and 13.4.</p> |
| Revenue and pricing | Modify | Modify | <p>We have accepted the AER's preference for a 5% threshold on the hybrid form and revenue control and also the shift to effectively a two block structure for residential tariffs. We however have not proposed the same adjustment to commercial and industrial tariffs as suggested by the AER in the Draft Decision.</p> <p>We also propose that abolition charges are fully funded by customers, consistent with that envisioned in the AEMC's Draft Decision. In any event, we also do not accept the AER's proposal for a different abolition charge determined by if a customer is electrifying or knocking down a home.</p> <p>Further information is detailed in Attachment 14.4.</p> |
| Network access | Accept | Accept | <p>We received feedback from one retailer have accepted some of the proposed changes to GT&C's.</p> <p>Further information is detailed in Attachment 15.3.</p> |

Our Revised Final Plan

Our Revised Final Plan accepts the many of the positions set out in the AER's Draft Decision. The majority of the changes reflect consideration of the additional information sought by the AER in its Draft Decision. A brief summary of key areas is outlined below. The Attachments listed here and in the Document Map (Attachment 1.8A) provide our detailed reasoning. All modifications have been included in the proposed revisions to the Access Arrangement.

Services: The AER previously approved the proposed reference services for AGN SA following consideration of our reference service proposal. The Draft Decision requires an 'additional full-cost abolition service tariff for knock downs, rebuilds and renovations' be included, which we have accepted and included in our revised list of services.

Operating expenditure: Our Revised Final Plan modifies the AER's forecast opex for the next AA period. The Revised Final Plan forecast opex for the next AA period is \$434.0 million, which is \$37.8 million (or 10%) higher than the forecast opex in the AER's Draft Decision but \$30.1 million (or 7%) lower than our original Final Plan submitted in July 2025. The AER's Draft Decision significantly reduced our opex and did not include expenditure for four proposed step changes included in the Final Plan.

The Revised Final Plan addresses issues raised by the AER in its Draft Decision regarding these step changes and other issues, and we have therefore:

- Re-proposed around \$19 million of one-off opex cost in support of the ICT Transition, which step change was not included by the AER in its Draft Decision.
- Unaccounted for gas of \$19.7 million, which is \$5.1 million higher than the AER's Draft Decision reflecting updated gas costs; and
- Re-proposed around \$4.6 million related to making safe redundant service pipe, which step change was not included by the AER in its Draft Decision

Capital expenditure: Our Revised Final Plan modifies the AER's Draft Decision, proposing \$337.2 million capex, which is \$90.9 million (or 21%) lower than the AER's Draft Decision but \$165.8 million (or 33%) lower than our Final Plan.

The Revised Final Plan provides the additional information requested by the AER in its Draft Decision in certain areas. We have:

- Reinstated IT transition expenditure of \$41 million and provided further information to demonstrate that this expenditure is prudent and efficient (Attachment 9.14)
- Reinstated cyber security expenditure of \$1.5 million and provided further information to explain the option selected and to demonstrate that this expenditure is prudent and efficient (Attachment 9.16)
- Re-proposed \$28.0 million for domestic meter replacement and responded to some concerns around the data presented in our Final Plan;
- Retained the digital metering program for inaccessible or unsafe sites and explained the measures taken in the past to attempt to remain compliant with our regulatory obligations; and
- Removed new connections capex from the forecast regulatory asset base as per the Australian Energy Market Commission's (AEMC) connections rule change which will come into effect in October 2027.

Capital Base and Depreciation: Our Revised Final Plan modifies the AER's Draft Decision for the capital base. As a result the closing capital base is \$2,468.1 million, which is 1.2% in nominal terms lower than in the Final Plan.

Our Revised Final Plan includes additional depreciation of \$70 million. This additional depreciation is required to:

- Address the increasing uncertainty over the role our network will play in a low carbon energy future (in response to a lack of policy support for renewable gas, observed and increasing declines in gas volumes, no renewable gas available to customers at any meaningful scale – including a lack of support for HyP Adelaide);
- Support a more stable price path for our customers now and into the future;
- Support our price competitiveness into the future against substitutes, particularly renewable electricity; and
- Provide assurance to ratings agencies and financiers that the regulatory environment supports our ability to recover our efficient costs (which is a fundamental requirement of the regulatory framework).

Financing costs: Our Revised Final Plan accepts the AER's Draft Decision on financing costs and has been updated to reflect more recent market data. This results in an average rate of return of 6.51%. We note that the AER will determine our final allowed rate of return using our nominated averaging period prior to its Final Decision.

Incentives: We have accepted the AER's Draft Decision on incentives. The Draft Decision allowed for the continuation of ECM and CESS in the next AA period. We've also accepted the modifications to ECM and CESS required by AER.

- For opex, we aligned historical estimates with the AER's approach for 2019/20 and 2020/21, updated the 2024/25 outcome using RIN-reported full-year actuals, and revised the 2025/26 inflation forecast based on the latest RBA data. These updates resulted in a revised opex carryover amount of \$9.0 million.
- For CESS, we updated key inputs using the latest CPI, WACC, reported performance measures and capex, incorporated the tiered sharing factor in line with the AER's August 2025 CESS guideline, and revised API targets. These changes result in a revised CESS revenue increment of \$16.6 million.

Demand: In the Draft Decision, the AER accepted our demand forecast as a placeholder, noted some issues with our forecasting approach and noted demand forecasts may need to be updated to account for recent rule changes regarding new connections. Our revised demand forecast has been amended in response to feedback in the Draft Decision and to reflect forthcoming rules changes relating to cost recovery for new connections.

Tariffs: We have accepted the AER's preference for an effective two block structure for residential tariffs. We however have not proposed the same adjustment to commercial and industrial tariffs as suggested by the AER in the Draft Decision.

Network access: We received feedback from one retailer have accepted some of the proposed changes to GT&Cs.

What we will deliver

Our Revised Final Plan delivers allowed smoothed tariff revenue of \$1,288.2 million in \$2025/26, which is around \$186.7 million (or 17%) above the AER's Draft Decision and \$74.4 million (or 6.1%) above our initial Final Plan submitted in July 2025.

In 2025/26:

- The average residential customer's annual distribution charge is \$631;
- The average commercial customer's distribution charge is \$6,635; and
- The average industrial customer's distribution charge is \$206,827.

Stakeholder Engagement

During Phase 4 of our engagement program, we refined our engagement approach in response to feedback from the AER, Customer Challenge Panel Sub-panel 33 (CCP33) and the South Australian Reference Group (SARG). Consistent with our engagement plan and informed by feedback on the Final Plan, further targeted engagement was undertaken to inform the Revised Final Plan.

As part of this engagement, we:

- Met with the South Australian Reference Group (SARG) following the release of the AER's Draft Decision.
- Maintained ongoing contact with members of the SARG Review Panel to support consistent two-way communication.
- Conducted a targeted customer workshop to re-engage customers on additional depreciation and tariff structures.
- Met with the SARG Review Panel to seek feedback on our draft responses to the AER Draft Decision.
- Informed the broader SARG membership of the draft responses.
- Met with representatives of the South Australian Business Chamber and Australian Industry Group to further engage on tariff structures for business and industry customers.
- Continued to use the Orbviz platform to support clear and accessible data visualisation for all interested stakeholders.

Submissions

We received a number of formal submissions as part of Phase 4 engagement, which informed our engagement approach and the development of the Revised Final Plan:

- South Australian Reference Group Review Panel submission on AGN's South Australian Gas Network Final Plan (2026–31)
- SACOSS submission on AGN's Final Plan for the 2026–31 Access Arrangement
- Consumer Challenge Panel Sub-panel 33 (CCP33) advice to the AER on AGN's South Australian Access Arrangement Proposal (2026–31)
- EWOSA submission to the AER on AGN's South Australian Access Arrangement Proposal
- Energy Consumers Australia submission on gas network access arrangements (including AGN SA)

Feedback received through engagement activities and formal submissions informed the refinement of our customer engagement methodology during Phase 4. This methodology guided how customers were prepared, engaged, and asked to provide feedback on complex regulatory issues.

Customer engagement methodology

Feedback from stakeholders highlighted the importance of undertaking a further phase of customer engagement to focus on:

- Framing tariff reform discussions in the context of broader policy objectives, including emissions reduction, in addition to individual affordability considerations, and
- Further discussions on depreciation, recognising the inherent difficulty of engaging on such a complex technical topic and the limitations of testing costs through a single scenario point.

In response to this, and considering the technical nature of these key topics, we refined our engagement approach to:

- Better support consideration of the implications of different tariff structures across customer groups and over time, and
- Test two contrasting depreciation scenarios, enabling deeper exploration of the trade-offs in different outcomes.

We re-engaged with a cohort of customers to support more informed consideration of these topics.

We adopted a structured methodology to ensure customers were well prepared and had a clear understanding of the topics for engagement. This included targeted pre-reading materials (Attachment 5.6) and facilitated discussions based on clearly defined scenarios, reflecting the complexity of the issues being explored. This approach was critical to supporting meaningful engagement, enabling customers to consider trade-offs, ask informed questions, and provide well-considered feedback.

The methodology was designed to support consideration of impacts across different customer groups and over time, rather than individual preferences alone. Customer understanding was assessed prior to seeking views to provide assurance that feedback was informed. Participants were asked to respond to a series of comprehension questions, testing their understanding of the key features and impacts of each scenario. The discussion that followed was framed around fairness, trade-offs and overall balance rather than preferred outcomes.

This approach aligns with contemporary best practice in deliberative engagement. Further detail on the engagement design and implementation is provided in the attached independent KPMG Phase Four Customer Engagement Workshop report (Attachment 5.5).

Table 31: Summary of feedback received on engagement and how we have responded

| What we heard | Our response |
|--|--|
| <ul style="list-style-type: none"> The AER, supported by feedback from CCP33 and SARG, requested further customer engagement on additional depreciation and tariff structures. Feedback from stakeholders questioned whether earlier engagement sufficiently supported customer understanding of options, impacts and trade-offs, particularly for complex issues such as accelerated depreciation and tariff reform. While acknowledging that AGN had engaged stakeholders on its proposed approach to additional depreciation, feedback questioned whether the depth and form of collaboration was as strong as that observed in some other gas networks.³ | <ul style="list-style-type: none"> Conducted an online deep-dive customer workshop focused specifically on additional depreciation and tariff structures.² Engaged 25 customers who had participated in earlier phases of the engagement program to ensure baseline familiarity with the issues. Provided targeted pre-reading materials to support understanding of technical concepts and policy context. |
| | <ul style="list-style-type: none"> We intentionally adopted a different engagement approach to enable greater collaborative consideration of impacts and trade-offs, supporting customers to assess fairness across multiple customer and stakeholder groups rather than responding only from an individual perspective. We utilised findings from the research undertaken on behalf of the ECA on <i>'Understanding consumer perspectives on accelerated depreciation and financeability'</i>, in particular the importance of consumer perspectives on fairness and equity, in order to make better regulatory decisions. We reviewed engagement practices undertaken by other gas networks in Australia and incorporated variations of successful activities into our methodology. |
| <ul style="list-style-type: none"> The AER, supported by submissions from SARG and EWOSA, noted uncertainty in relying heavily on earlier tariff engagement outcomes, including whether customers had a sufficient understanding of the complex issues underpinning potential changes to tariff structures.⁴ | <ul style="list-style-type: none"> Customer comprehension of each scenario was formally assessed during the workshop to provide assurance that feedback was informed. More than 88% of participants correctly answered comprehension questions and more than 81% indicated they could explain the scenarios to someone else. |
| <ul style="list-style-type: none"> CCP33 and SARG encouraged stronger scenario-based engagement to support customer consideration of affordability and energy transition impacts across accelerated depreciation and tariff structures. Feedback questioned whether engagement materials clearly explained the impacts of different depreciation and tariff options, including the broader policy context for flatter tariff structures, such as emissions reduction considerations. | <ul style="list-style-type: none"> For each topic, customers were presented with two scenarios, one reflecting the AER's Draft Decision and the other reflecting AGN's proposed approach, to support consideration of alternative outcomes and trade-offs. Pre-reading materials established a shared baseline of understanding of depreciation and tariff concepts, including AGN's proposal, the AER's Draft Decision, and relevant policy context. |
| <ul style="list-style-type: none"> CCP33 and SARG acknowledged the quality and breadth of AGN's engagement but questioned whether the volume and complexity of information limited more open, deliberative discussion, with customer feedback often centred on willingness to pay rather than exploring implications.⁵ | <ul style="list-style-type: none"> Discussion was structured to focus on fairness, impacts, and overall balance, rather than willingness to pay or preferred outcomes. |

² KPMG Phase Four Customer Engagement Workshop

³ Attachment 1 – Capital base, Regulatory depreciation and Corporate income tax | Draft decision – AGN (SA) 2026–31

⁴ Attachment 5 – Reference services | Draft decision – AGN (SA) 2026–31

⁵ CCP33 Advice to AER Australian Gas Networks South Australia Access Arrangement Proposal 2026-31 (Final Plan July 2025)

- Stakeholders and customers found the visual representation of data in Orbviz to be an easier way to understand our proposals.
- Stakeholders and customers indicated that data visualisation supported understanding of proposals. We will continue to use the Orbviz platform to support clear and accessible data visualisation.

The proposals in our Revised Final Plan have been shaped based on our ongoing engagement with stakeholders and customers. SARG members will meet in early February 2026 (post-submission of this Revised Final Plan) to form a view on the proposal in our Revised Final Plan. The SARG Review Panel will prepare a formal submission during the AER's public consultation process.

Next Steps

We will continue to engage with our customers and stakeholders on an ongoing basis, including during the remaining review process leading into the AER's Final Decision. The AER requested stakeholder feedback on its Draft Decision, following submission of our Revised Final Plan, by 13 February 2026.

We would also welcome any additional feedback on our Revised Final Plan from our customers and stakeholders at any point in the future. You can provide your feedback online at gasatters.agig.com.au or by contacting our Stakeholder Engagement team at regulatoryengagement@agig.com.au.

Structure of this revised Final Plan

The structure of our Revised Final Plan is outlined in Attachment 1.3A. It has been structured to include the following:

- all of the documents provided to the AER in the July 2025 Final Plan, which is referred to as our Final Plan (for the purposes of brevity and clarity, these documents are not attached to this Revised Final Plan as they have already been provided to the AER); and
- further documents which provide additional information, or modify the Final Plan, all of which are attachments to our Final Plan.

More specifically, the structure of this Revised Final Plan consists of:

- this Overview, which includes a revised Foreword from our CEO, an overview of key areas, and a list of new attachments;
- the Document Map (Attachment 1.3A), which reflects our Final Plan with the addition of new attachments developed as part of this Revised Final Plan (these new documents are highlighted in green);
- attachments to our Revised Final Plan:
 - responses to the AER Draft Decision are set out in attachments to the Revised Final Plan and prefaced with the words 'Response to Draft Decision' in the title;
 - all information contained in these attachments supersedes information previously provided in our Final Plan to the extent that there is any conflict; and
 - a Revised AA Document (including the Terms and Conditions) dated January 2026.

Unless otherwise stated, information presented in our revised Final Plan is in \$2025/26.

Glossary

| GLOSSARY | | | |
|-------------------|--|----------------------|--|
| AA | Access Arrangement | HIA | Housing Industry Association |
| AER | Australian Energy Regulator | HSE | Health Safety Environment |
| AGIG | Australian Gas Infrastructure Group | I&C | Industrial and Commercial (customers) |
| AGN | Australian Gas Networks | ILI | In Line Inspection |
| Capex | Capital Expenditure | next AA period | 2026/27 to 2030/31 |
| CESS | Capital Expenditure Sharing Scheme | NGL | National Gas Law |
| CI/UPS | Cast Iron/Unprotected Steel | NGR | National Gas Rules |
| current AA period | 2021/22 to 2025/26 | opex | Operating Expenditure |
| DMSIP | Distribution Mains and Service Integrity Plan | OTR | Office of the Technical Regulator |
| DRP | Debt Risk Premium | RRG | Retailer Reference Group |
| EBSS | Efficiency Benefit Sharing Scheme | SAMP | Strategic Asset Management Plan |
| ESCOSA | Essential Services Commission of South Australia | SARG | South Australian Reference Group |
| EWOSA | Energy and Water Ombudsman of South Australia | SCADA | Supervisory Control and Data Acquisition |
| GJ | Gigajoule/s | subsequent AA period | 2026/27 – 2030/31 |
| GSP | Gross State Product | TJ | Terajoule/s |
| HDPE | High density polyethylene | UAFG | UAFG Unaccounted for Gas |
| | | VCAP | Vulnerable Customer Assistance Program |

List of Attachments

- 1.3A Revised Final Plan Document Map
- 1.4A Revised Final Plan Confidentiality Claims
- 1.5A PTRM (CI)
- 1.6A Roll Forward Model
- 1.7A Depreciation Model
- 5.5 AGN Customer & Stakeholder Engagement Phase 4 Report 2026
- 5.6 Background Information Customer Reading Pack
- 6.5 Response to Draft Decision on Future of Gas
- 6.6 Incenta Expert Report on Depreciation
- 8.1A Revised Final Plan Opex Forecast Model
- 8.5 Response to Draft Decision on Operating Expenditure
- 8.6 Response to Draft Decision on Redundant Service Abolishment Opex Step Change
- 8.7 UAFC commercial pricing information for AGN SA (DC)
- 9.8A Revised Capex Forecast Model (CI)
- 9.13 Response to Draft Decision on Capital Expenditure
- 9.14 Response to Draft Decision on IT Transition (CI)
- 9.15 IT Transition Further Information
- 9.16 Response to Draft Decision on IT Cyber Security (DC)
- 9.17 Corporate structure and Cost allocation (CI)
- 9.18 Response to Draft Decision- Meter Replacement (CI)
- 10.1A Response to Draft Decision on Capital Base
- 11.2 Response to Draft Decision on Financing Costs
- 12.1A Revised Final Plan ECM Model
- 12.2A Revised Final Plan CESS Model
- 12.3 Response to Draft Decision on Incentives
- 13.1A Updated CORE Energy SA Demand Forecasting Report (DC)
- 13.2A Updated CORE Energy Demand Forecast Model (DC)
- 13.4 Response to Draft Decision on Demand
- 14.4 Response to Draft Decision on Revenue and Prices
- 15.3 Response to Draft Decision on Network Access
- Access Arrangement Document (Marked version and Clean version)
- Access Arrangement Annexure G General Terms and Conditions

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