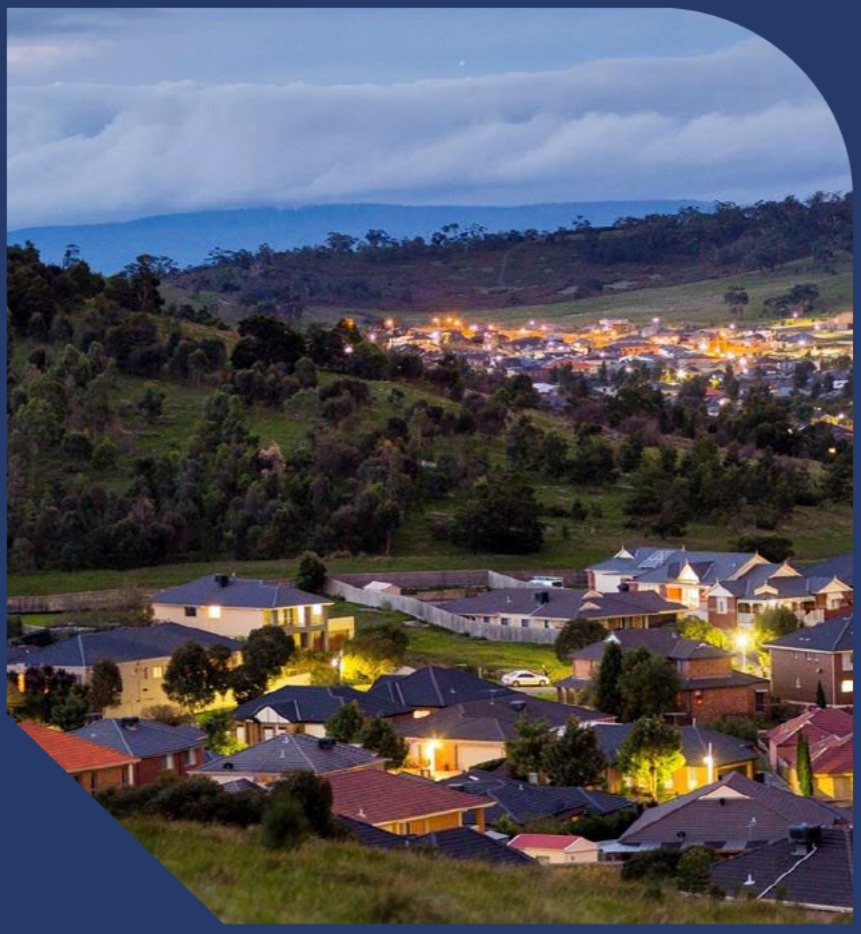
AusNet

AusNet Gas Services Pty Ltd

AER Annual Regulatory Accounts

July 2024 – June 2025

Basis of Preparation
Public



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OVERVIEW

This Basis of Preparation ("**BoP**") document supports the preparation and reporting of the data presented in AusNet Gas Services Pty Limited's ("**AusNet Gas Services**" or "**the Company**") reports entitled '2024-25 AusNet Gas Services Regulatory Accounts - Consolidated', '2024-25 AusNet Gas Services Regulatory Accounts - Actual', '2024-25 AusNet Gas Services Regulatory Accounts - Estimated' and '2024-25 AusNet Gas Services Regulatory Accounts – Public' ("**the Reports**" or "**Regulatory Accounts**").

The Reports have been prepared in accordance with the 'Regulatory Information Notice issued under section Division 4 of Part 1 of Chapter 2 of the National Gas (Victoria) Law' ("**RIN**") issued by the Australian Energy Regulator ("**AER**") on 2 March 2020, as varied by the Variation Notice dated 14 April 2023.

AusNet Gas Services' regulatory reporting period is 1 July 2024 to 30 June 2025 ("**Regulatory Year**"). Data included in the reports have been provided for the 2024-25 regulatory period. All financial data is presented in whole Australian dollars, unless otherwise stated in the template. Non-financial data is stated as per the measures specified in the reports.

The AusNet Services' Group ("**the Group**") owns and operates three regulated networks – an electricity distribution network, a gas distribution network and an electricity transmission network, as well as unregulated businesses. Employees of the AusNet Services Group work across the three regulated networks and there are shared costs, overheads and other corporate costs that cannot be directly allocated to a particular network. These costs are proportioned amongst the Group's three regulated networks, as well as the unregulated businesses. For the Regulatory Period, an indirect cost allocation methodology ("**CAM**") approach was applied.

Materiality has been applied throughout the Reports and Basis of Preparation. Materiality is defined as information that if omitted, misstated, or not disclosed has the potential, individually or collectively to influence the economic decisions of users.

In conformity with AER requirements, the preparation of the Reports require the use of certain critical management estimates. For the purpose of preparing the Reports, 'Estimated Information' is defined as information presented in the Reports whose presentation is not materially dependent on information recorded in accounting records or other records used in the normal course of business, and whose presentation for the purpose of the RIN is contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation in the Reports.

Where estimated information has been presented, the circumstances and the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is AusNet Gas Services' best estimate has also been set out through this BoP. Estimates are considered to be Management's best estimate based on the data available. Estimates will often not equal the related actual results and estimates have only been made for the purpose of disclosing the information required under the RIN. Considerations of the cost and efficiency of preparation as well as the reliability and accuracy of data available have been considered in determining the best methodology to determine the estimates.

'Actual Information' is defined as information materially dependent on information recorded in historical accounting records or other records used in the normal course of business, and whose presentation is not contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation. Any information or allocation which has been calculated via the indirect cost allocation process is considered actual

information, as this is in accordance with the AER approved CAMs for Electricity Distribution and Electricity Transmission, which apply across the Group.

Amounts reported as 'Audited Statutory Accounts' are sourced from the AusNet Gas Services Pty Limited's trial balance for the Regulatory Year ended 30 June 2025 which has been prepared to assist the Company in meeting its regulatory reporting requirements to the AER and may not be suitable for any other purpose. The trial balance meets the definition of 'audited trail balance' as described in the Notice. The Company is not required to submit General or Special Purpose Financial Statements as a statutory reporting requirement for the Regulatory Period ended 30 June 2025 under the Corporations Act. To the extent applicable, the information reported has been prepared in a manner consistent with the policies and methodologies applied in preparing the Annual Regulatory Accounts. There were no changes in Accounting Policies during the Regulatory Period that had a material impact on the information presented. The preparation methodologies and information sources adopted in the preparation of the Reports are set out through this BoP.

E1. EXPENDITURE SUMMARY

E1.1 - Capex

Capital Expenditure ("**Capex**") includes all costs that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

E1.1.1 - REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

The underlying information reported for the above period was sourced from the financial systems of the Company. The Company records costs associated with its capex spend in cost collectors (projects) which are reviewed by an experienced Gas Subject Matter Expert ("**SME**") who provides the categorisations specified in the AER's pre-populated asset classes (listed in the table above). The capex spend is reconciled in total to the audited trial balance of the Company.

E1.1.2 – NON-REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

For the current period, information reported was sourced from the financial systems of the Company. The Company records costs associated with its capex spend in cost collectors (projects) which are reviewed by an experienced SME who provides the categorisation specified in the AER pre-populated asset classes listed in the table. The capex spend is reconciled in total to the audited trial balance of the Company.

E1.2 - Opex

AusNet Gas Services allocates costs directly to opex projects and services where possible and appropriate. Where costs are not directly costed to a project, indirect (causal) costing is used to allocate costs across projects and services. This is in accordance with the Group's CAM.

E1.2.1 - REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Information reported for this period is sourced from the financial systems of the Company. The Company records costs associated with its opex spend in cost collectors (projects and general ledger (GL) accounts) which are then categorised into the AER's pre-populated opex categories listed in the table. The opex spend is reconciled in total to the audited trial balance of the Company.

Reference Services Opex includes both Haulage Reference Services and Ancillary Reference Services.

Note: for the current reporting period AusNet Gas Services will report Unaccounted for Gas ("**UAFG**") rewards in 'Other Revenue' in tables F1.1.1 - Revenue and F1.3.1 – Revenue of template F1. Income, with the corresponding penalties in table F4.1.3.

E1.2.2 – NON-REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Information reported for this period was sourced from the financial systems of the Company. The Company records costs associated with its opex spend in cost collectors (projects and GL accounts). The Company used cost collector information to identify its non-reference service costs.

E1.3 - Capcons

E1.3.1 - REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Information reported for this period was sourced from the financial systems of the Company. The capital contributions including gifted assets ("**Capcons**") were mapped to the specified AER pre-populated asset classes listed in the table based on the project definition. The Capcons is reconciled in total to the audited trial balance of the Company. The capex spend includes any gifted assets if applicable and is reconciled in total to the audited trial balance of the Company.

E1.3.2 – NON-REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

For the current period, information reported was sourced from the financial systems of the Company. The Company records costs associated with its capex spend in cost collectors (projects) which are reviewed by an experienced SME who provides the categorisation specified in the AER pre-populated asset classes listed in the table.

E1.4 – Capitalised Overheads

E1.4.1 - REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

The Company capitalises a share of network and corporate overheads to capex. The Company uses SAP functionality to apply overheads where applicable at the individual project level. Master data in SAP allows for the alignment to the RIN categories required by the table.

E1.4.2 – NON-REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

For the current period, information reported was sourced from the financial systems of the Company. The Company records capitalised overheads associated with its capex spend in cost collectors (cost elements) which are reviewed by an experienced SME who provides the categorisation specified in the AER pre-populated asset classes listed in the table.

E.11 LABOUR

E11.3 - Labour / Non-Labour Expenditure Split

Labour includes all expenditure used to deliver reference and non-reference services that is associated with people. Labour expenditure relates to –

- Full time, part time and casual employees;
- Ongoing and temporary employment contracts; and
- Labour hire contracts.

Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes, termination and redundancy payments, workers compensation, training and study assistance and purchases made on behalf of employees.

AusNet Gas Services applied the RIN definitions when reporting these variables, with the Company disclosing information against 'In-house labour expenditure' and 'Non-labour expenditure' only.

AusNet Gas Services notes that the definition of labour only includes labour hire arrangements and contracts of employment with the network service provider (**"NSP"**), i.e., AusNet Gas Services. This arrangement did not result in employment contracts with the NSP and does not constitute a labour hire arrangement. On this basis, these costs are not reported as labour in Template E.11. AusNet Gas Services also has contracts with a third-party service provider for capex and opex field work. The labour services that the contractor provides as part of their contract arrangements does not require employment contracts or result in labour hire arrangements (as defined in the RIN) and therefore these field labour costs have not been reported as labour expenditure.

Preparation Methodology:

E11.3.1 - OPEX

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

In-house labour expenditure

The nature of these costs is generally time writing for non-office-based staff as these employees are required to account for their time which are recorded in projects. Office-based staff costs are generally allocated to projects using the principles of the Group's CAM. The Company's current ERP system, SAP has functionality to record and report in-house labour expenditure in cost collectors.

Non-labour expenditure

The nature of these costs represents the remainder of opex (e.g., contractor costs) as disclosed in tables E1.2.1 and E1.2.2 of template E1 Expenditure Summary but excludes In-house labour expenditure, including UAFG penalty expenditure.

E11.3.2 - CAPEX

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

In-house labour expenditure

The nature of these costs is generally time writing based for employees who are required to account for their time whilst working on capex projects. The Company's SAP system has functionality to record and report in-house labour expenditure in cost collectors.

Non-labour expenditure

The nature of these costs represents the remainder of capex (e.g., contractor costs) as disclosed in table E1.1.1 and E1.1.2 of template E1 Expenditure Summary but excludes In-house labour expenditure.

E.21 ANCILLARY REFERENCE SERVICES

Ancillary Reference Services are services where the customer pays a prescribed fee for the services. These include the following in relation to Distribution Supply Points (**"DSP"**) at which Gas is withdrawn by or in respect of a Residential Customer:

a) On-site meter and gas installation test: testing to check the accuracy of a Meter and the soundness of a Gas Installation, to determine whether the Meter is accurately measuring the Quantity of Gas delivered.
b) Disconnection Service - Disconnection by the carrying out of work being the removal of the Meter at a Metering Installation, or the use of locks or plugs at a Metering Installation to prevent the withdrawal of Gas at the DSP.
c) Reconnection Service – Reconnection by turning on Supply, including the removal of locks or plugs used to isolate Supply or reinstallation of a Meter if it has been removed, performance of a safety check and the lighting of appliances where necessary.
d) Special Meter Reading Service – meter reading for a DSP in addition to the scheduled meter readings that form part of the Haulage Reference Services.
e) Meter fix or reinstallation – reinstallation of a meter at a metering installation, performance of a safety check and the lighting of appliances where necessary.
f) Meter and service removal – removal of a meter and service line to prevent the withdrawal of natural gas at the delivery point.
g) Minor meter alter position – relocating an existing gas meter to a new position, within 4 meters of the original meter, in a single site visit.

Note that the three items 'e-g' above have been added in to be in alignment with the 2023-28 AusNet Gas Services GAAR ancillary services published on the AER website.

Preparation Methodology:

E21.1 - VOLUMES

Period	Type	Information	Assumption – Estimated Information
2024-2025	Public	Actual	N/A

The volume information was obtained from billing information sourced from the Company's Billing system, Kinetiq as well as Hansen Hub (B2B system between retailers and distributors). Each month, an extract of this data is stored in an SQL database for use in company reporting. This extract includes, amongst other things, the number of ancillary reference services provided and charged to each retailer. To report the volume information in the RIN, the relevant table in the database is queried and the total number of each ancillary reference service provided in the Regulatory Period is reported in the RIN.

Whenever there is a reversal of a previous charge (which can arise for various reasons), the billing system processes this by multiplying a negative price against the volume to be reversed. Therefore, the volume stays positive, but the overall charge is negative. Therefore, when adding up the volume of charges, this needs to be incorporated in the query.

E21.3 - EXPENDITURE

Period	Type	Information	Assumption – Estimated Information
2024-2025	Public	Actual	N/A

The expenditure information by category was sourced from SAP using Opex project, work breakdown structure **("WBS")** and work order information. This was mapped by an SME into services.

All Ancillary Reference Service costs reported are direct project costs and no indirect costs were included.

N.1 DEMAND

Preparation Methodology:

N1.1 – DEMAND – BY CUSTOMER TYPE

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Revenue is sourced from the Kinetiq billing system. Accruals are estimated using Effective Degree Days (EDD) as an input to a linear regression model, which forecasts unbilled usage. Prospective EDD is calculated daily based on the average of previous years. Total demand is derived from billed amounts to retailers, plus accruals, minus reversals. The data is aggregated by customer type to reflect demand.

N1.2 - DEMAND - BY TARIFF

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Revenue is sourced from the Kinetiq billing system. Accruals are estimated using Effective Degree Days (EDD) as an input to a linear regression model, which forecasts unbilled usage. Prospective EDD is calculated daily based on the average of previous years. Total demand is derived from billed amounts to retailers, plus accruals, minus reversals. The data is aggregated by tariff to reflect demand.

N.2 NETWORK CHARACTERISTICS

Preparation Methodology:

N2.1 - NETWORK LENGTH - BY PRESSURE AND ASSET TYPE (N2.1-3 LOW, MEDIUM, HIGH PRESSURE)

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

This variable was determined using AusNet Gas Services' GIS system, SDMG. The information for each pipe included material, pressure, installation date, abandoned date and length.

The GIS data does not disaggregate the pipe types into the same categories as the RIN. The table below lists which AusNet Gas Service Codes were categorised with which RIN pipe types.

Length of mains has been calculated based on filtering the status, installation date, date ranges and the following operating pressures:

- High (140 to 1050kPa) (including High1 140-515kPa and High2 515-1050kPa)
- Medium (MP) (15 to 140kPa)
- Low pressure (up to 3kPa)

Below is a mapping table which maps the AusNet Gas Services' service codes to that listed in the pre-populated AER table.

RIN Pipe Types	AusNet Gas Service Codes
Cast Iron	C2, C3, C4, C5, C6, C7, C8, C9, C10
PVC	P3
Polyamide	This is not in AusNet Gas Services Network
High density polyethylene (80)	P8
High density polyethylene (100)	P9, P10
High density polyethylene (250)	P4
High density polyethylene (575)	P2
Medium density polyethylene	N/A – none reported
Other polyethylene	P5, P6, P7
Unprotected steel	S2, S5, W2
Protected steel	S3, S4, S6, S11, S7, S8, S9, S10, S20, S21, S22, S23, S24
Other	

N2.1 - NETWORK LENGTH - BY PRESSURE AND ASSET TYPE (N2.1.4 TRANSMISSION)

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

This variable was determined using AusNet Gas Services' GIS system, SDMG. Transmission minimum operating pressure is 1050kPa. Data was extracted into an excel file 'N2.2 SDMG Extract Regulators_FY2025'. The length of transmission pipes was determined by filtering by relevant years of installation and status.

N2.2 – CITY GATES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

This variable was determined using AusNet Services asset management system (SAP). Data was extracted into an excel file 'N2.2 SDMG Extract Regulators_FY2025'. The number of city gates was determined by filtering on the 'status' and 'functional type' columns of the Regulators of each City Gate. To establish when a city gate was installed the following method was used:

1. Create a pivot table.
2. Select 'Functional type' as the main row.
3. Filtering by all 'status'.

This variable was determined by using AusNet Services GIS system, SDMG. Similar to mains and transmission pipeline lengths, City Gates were extracted from SDMG to an excel spreadsheet. The data was then filtered on 'SPA_FUNCTIONAL_TYPE' = City Gate and 'STATUS' = Live.

N2.2 – REGULATORS

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

This variable was determined using AusNet Services Asset Management system (SAP). Data was extracted into an excel file: N2.2 SDMG Extract Regulators_FY2025'. The number of District and Field Regulators was determined by using a pivot table. To establish when a field or district regulator was installed the following method was used:

1. Create a pivot table.
2. Select 'Functional type' as the main row.
3. Filtering by all 'status'.

These variables were determined by using AusNet Services GIS system, SDMG. Like City Gates, regulators were extracted from SDMG to an excel spreadsheet. The data was then filtered on 'SPA_FUNCTIONAL_TYPE' = Field and 'STATUS' = Live to find the number of Field Regulators. District Regulator count was found by filtering the data on 'SPA_FUNCTIONAL_TYPE' = District and 'STATUS' = Live.

Again, the data has been extracted from SDMG rather than SAP as it was more convenient and required less processing steps to find the variables.

S1. CUSTOMER NUMBERS

Preparation Methodology:

S1.1 – CUSTOMER NUMBERS – BY CUSTOMER TYPE

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

This table is a summary of the data reported in S1.2. AusNet Services' tariffs split into Residential, Commercial and Industrial categories; therefore, this table is populated by summing:

1. Residential Tariff V tariffs for the Residential category
2. Commercial Tariff V tariffs for the Commercial category
3. Tariff D and Tariff M tariffs for the Industrial category.

S1. CUSTOMER NUMBERS

Preparation Methodology:

S1.2 – CUSTOMER NUMBERS – BY TARIFF

Customer numbers are sourced from AusNet Services' outage management system, PowerOn Gas (POG). The table includes MIRNs and is manually linked to the tariff zone table. The billing system, Kinetiq, is used to classify MIRNs: commercial MIRNs fall under Tariff D or M, while all others are assigned to Tariff V. POG also provides MIRN status by date. All MIRNs not marked as de-registered or abolished are assumed to represent active customers. Internal MIRN codes help identify status:

C – Commissioned: actively consuming energy

DC – De-commissioned: exists but not consuming energy

DR – De-registered: abolished and no longer exists

S1.2.1 - CUSTOMER NUMBERS AS AT 1 JULY

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

All MIRNs not marked as de-registered or abolished are assumed to represent active customers as at the start of the regulatory period.

S1.2.2 - CUSTOMER NUMBERS AS AT 30 JUNE

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

All MIRNs not marked as de-registered or abolished are assumed to represent active customers as at the end of the regulatory period.

S1.2.3 - TOTAL CUSTOMER CONNECTIONS

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

The total customer connection is calculated by the net change over the regulatory period plus the number of disconnections.

Total connections = end of period – start of period + disconnections {S1.2.2 – S1.2.1 + S1.2.4}.

Total connections = net change over regulatory period + disconnections

S1.2.4 - TOTAL CUSTOMER DISCONNECTIONS

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Disconnected MIRNs are assigned with a status of 'DR' in POG.

S10. SUPPLY QUALITY

Preparation Methodology:

S10.1 – PRESSURE FAULTS

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Estimated	It is assumed that if there is a poor pressure event on AusNet Gas Services pipes there is also a poor pressure event in AusNet Gas Services main pipes.

Variable: Poor Pressure Events – mains

This variable was determined using pressure results from fringe pressure monitors installed on service pipes within AusNet Gas Services network.

Poor pressure events are defined as any known breaches in the minimum obligated pressure as defined by the Gas Distribution System Code (GDSC). Minimum obligated network pressure as per the GDSC is as follows:

- High pressure minimum 140kPa
- Medium pressure minimum 15kPa
- Low pressure minimum 1.4kPa

The number of breaches were exported from SCADA via OSI Pi (a reporting tool for SCADA data) into a spreadsheet format and was plotted as a chart in excel. Additionally, a single constant line showing the minimum obligated pressure of 140kpa was added to show the instances where the minimum obligated network pressure was breached. Every instance where minimum pressure was breached was classed as a poor pressure event.

AusNet Gas Services is evaluating the capture of data to determine whether Actual information can be provided in future years.

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Poor Pressure Events – services

This variable was determined using pressure results from fringe pressure monitors installed on service pipes within AusNet Gas Services network.

Poor pressure events are defined as any known breaches in the minimum obligated pressure as defined by the Gas Distribution System Code (**"GDSC"**). Minimum obligated network pressure as per the GDSC is as follows:

- High pressure minimum 140kPa
- Medium pressure minimum 15kPa
- Low pressure minimum 1.4kPa

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Poor Pressure Events – meters

AusNet Gas Services has reported a zero value for this variable because it does not measure poor pressure events on meters and has no basis to make an estimate. Reporting zero values would indicate that AusNet Gas Services has no poor pressure events on meters.

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Pressure events impacting 5+ customers

This variable was determined using AusNet Gas Services 'Trouble Order data set', from its 'PowerOn' Gas system.

Pressure events were defined by any incident reported that resulted in customer minutes off supply. The data was filtered by year of interest and the number of customers affected for each incident, that being affecting 5 or more customers.

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Pressure events with >12 hr resolution

This variable was determined using AusNet Gas Services 'Trouble Order data set', from its 'PowerOn' Gas system. Pressure events > 12 hours were determined by creating a new column to distribute the CMOS evenly across the number of affected customers. The formula used was CMOS/ number of customers. This new column was then filtered to find events that lasted 720 minutes or longer.

S11. NETWORK RELIABILITY

Preparation and Methodology:

S11.1 - NETWORK OUTAGES

S11.1.1 – PLANNED

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Count of outage events

This information was extracted from the PowerOn Gas system using a SQL script. Count of planned outages was determined by the count of "AMFM_PLANNED_OUTAGE_ID" from PO_REQUEST TABLE. Only planned outages with "complete" status are used in counting. The "START_TIME" from PO_OUTAGE TABLE is used for calculating calendar year of each outage.

In addition, events where the recorded 'Date Time Off' differs from 'Trouble Call Date/Time' by only a few seconds (likely due to rounding to the nearest minute) are also considered as meeting this criterion.

Variable: Outages affecting 5+ customers

This information was extracted from the PowerOn Gas using a SQL script. Count of planned outages was determined by the count of "AMFM_PLANNED_OUTAGE_ID" from PO_REQUEST TABLE. Only planned outages with "complete" status are used in counting. To determine the number of customers impacted the count the count of "Location_desc" from PO_ORDER TABLE was used. Only outages with status in "closed" were used in counting. The "START_TIME" from PO_OUTAGE TABLE is used for calculating calendar year of each outage.

Variable: Outages with >12 hr supply interruption

This information was extracted from the PowerOn Gas using a SQL script. Count of planned outages was determined by the count of "AMFM_PLANNED_OUTAGE_ID" from PO_REQUEST TABLE. Only planned outages with "complete" status are used in counting. To determine the number of outages longer than 12 hours the "TIME_RESTORED" from PO_RESTORATION is used for outage end time and the "START_TIME" from PO_OUTAGE TABLE is used for outage start time. The "START_TIME" from PO_OUTAGE TABLE is used for calculating calendar year of each outage.

S11.1.2 – UNPLANNED

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Count of outage events

This variable was determined using AusNet Gas Services 'Trouble Order data set', from its 'PowerOn' Gas system. An Outage Event resulting in a situation of Supply No Gas is defined as having occurred when the parameter of 'Trouble Call Date/Time' is identical to 'Date Time Off' and has resulted in Customer Minutes Off Supply.

In addition, events where the recorded 'Date Time Off' differs from 'Trouble Call Date/Time' by only a few seconds (likely due to rounding to the nearest minute) are also considered as meeting this criterion.

Variable: Outages affecting 5+ customers

This variable was determined using AusNet Gas Services 'Trouble Order data set', from its 'PowerOn' Gas system. This data is a subset of 'Count of Outage Events'. The data was filtered by year of interest and the number of customers affected for each incident.

Variable: Outages with >12 hr supply interruption

This variable was determined using AusNet Gas Services 'Trouble Order data set', from its 'PowerOn' Gas system. This data is a subset of 'Count of Outage Events' and defined as any incident reported that resulted in customer minutes off supply events longer than 12 hours. It was determined by creating a new column to distribute the total CMOS per event evenly across the number of affected customers. The formula used was CMOS/number of customers affected. This new column was then filtered to find events that lasted 720 minutes or longer.

S11.2 - LEAKS - BY ASSET TYPE AND CAUSE OF LEAK

S11.2.1 - LOW PRESSURE

S11.2.2 - MEDIUM PRESSURE

S11.2.3 - HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Estimated	The selection of the leak cause code via our Delivery Partner is not always reported accurately and hence the data is classified as estimated

These variables were determined using AusNet Gas Services asset management system, SAP, and GIS system, SDMG. The data from SAP was corrective maintenance work order data that relates to gas leakages and the data from SDMG was pipe material type.

Using SDMG and the pipe IDs for the work order data pipe types were established. The table 1 below lists which AusNet Gas Services material type codes were categorised against the RIN pipe types. It should be noted unlike template N2, Network Characteristics, this template does not provide an 'other' material type option. As a result, all 'other' material types where categorised under 'other polyethylene'.

When AusNet Gas Services delivery partner is entering leak data a drop-down option is available to select to assist with categorising each leak.

The count of leaks was divided by the number of km's per pressure per material type noted in N2.

Cells that are empty mean no leaks were recorded within that category.

Table: 1

RIN Pipe Types	AusNet Gas Service Codes
PVC	P3
Polyamide	This is not in AusNet Gas Services Network
High density polyethylene (80)	P8
High density polyethylene (100)	P9, P10
High density polyethylene (250)	P4
High density polyethylene (575)	P2
Medium density polyethylene	N/A – none reported
Other polyethylene	P5, P6, P7, and #N/A
Unprotected steel	S2, S5, W2
Protected steel	S3, S4, S11, S6, S7, S8, S9, S10, S20, S21, S22, S23, S24
Cast Iron	C2, C3, C4, C5, C6, C7, C8, C9, C10

AusNet Gas Services is evaluating the capture of data for leak by asset type to determine whether Actual information can be provided in future years.

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Estimated	The selection of the leak cause code via our Delivery Partner is not always reported accurately and hence the data is classified as estimated

The variables were created using data from SAP, SDMG, and Power On Gas's Trouble Orders.

The SAP Leak Data was extracted via the 'S11.2 MA-036_Gas_Leaks_Report_-_Detailed (Jul24-Jun25)' report. This data was copied to a new spreadsheet 'Leaks by Material' and all columns were suffixed with 'SAP_'. SDMG materials were joined to each row using a VLOOKUP on the FLOCs under column name 'SDMG_Material'. Then the RIN Pipe Types were added by using a VLOOKUP on the SDMG Materials and the RIN Pipe Types as described in Table 1 above. Lastly, Trouble Orders Order Comments and Cause were added to the spreadsheet in columns L and M by using the SAP Leak Data 'SourceSystem_Ref' as a VLOOKUP for Trouble Order's 'Order Reference'.

Once all the data had been joined, the data was copied and pasted values to avoid any issues with formulas being corrupted during filtering. A new column was added 'RIN Leak Category', The data was filtered on the SAP Description and the RIN Leak Category was manually populated for the applicable filtered rows according to the following Table.

As the SAP data does not account for all RIN Leak Categories, the Trouble Orders were also used to extract more detail on the leaks. Using text filters on the 'TO_Order_Comments', Leaks were filtered according to the values listed in table below. The order comments were then reviewed alongside the SAP description and then assigned a RIN Category.

RIN Leak Category	SAP Description	Trouble Order Text Filter
Broken pipe - cracked		Cracked
Broken pipe - full break		Broken
Corrosion	Repair Leak on main - corrosion fault, Repair of Corrosion Faults	Corrode
Joint leak		Joint
3rd party damage	3rd Party Damage SERVICE Non-C/W Unpaved, 3rd Party Damaged MAIN C/W (sealed), 3rd Party Damaged MAIN C/W (Unpaved), 3rd Party Damaged SERVICE C/W (sealed), 3rd Party Damaged SERVICE C/W (Unpaved), 3rd Party Damaged SERVICE Non-C/W sealed	
Identified water in main		Water in main

RIN Leak Category	SAP Description	Trouble Order Text Filter
Other	Leak repair after Leakage Survey, Leak repair after Leakage Survey main, Leak repair after Leakage Survey service, Repair Reported Leak DISTRIBUTION VALVE, Repair Reported Leak On MAIN (Sealed) Repair Reported Leak On MAIN (Unpaved) Repair Reported Leak On SERVICE (Sealed) Repair Reported Leak On SERVICE (Unpaved)	

Once all leaks were reviewed and assigned a RIN Leak Category, the data was pivoted to get the count of leaks by the RIN Pipe Type and RIN Leak category with a filter on pressure. Data was copied to a new sheet for each pressure, creating a summary table of count of leaks by RIN Pipe Type and RIN Leak Category. The pipe length for each RIN pipe type was added to the summary table (data sourced from that stated in N2. Network Characteristics). Finally, Leaks per KM were created by dividing the count of leaks / pipe length for each row.

S11.3 - UNACCOUNTED FOR GAS - TRANSMISSION AND DISTRIBUTION

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Estimate	UAFG settlements for the current year period have not yet been finalised, as final settlement data has not been received from AEMO and meter reads are still subject to change.

Unaccounted for gas has been prepared in accordance with AEMO's *Wholesale Market Distribution UAFG Procedures (Victoria)*. This document is available on AEMO's website here:

https://www.aemo.com.au/-/media/files/gas/dwgm/2016/wholesale-market-distribution-uafg-procedures-vic-ver30-effective-1-january-2016.pdf

Unaccounted for Gas (UAFG) is calculated as the difference between gas injections and withdrawals. Injection and withdrawal data for large industrial metered customers are sourced from AEMO's Market Information Bulletin Board (MIBB), while data for smaller customers with basic meters is derived from the Kinetiq billing system.

UAFG settlements for the current year have not been finalised and remain subject to change as AEMO's data continues to evolve. Accordingly, the reported figures at the time of submission are considered estimates, based on the best available data.

S14. NETWORK INTEGRITY

Preparation and Methodology:

S14.1 - LOSS OF CONTAINMENT

S14.1.1- MAINS

S14.1.2 - SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Number of leaks publicly reported

This variable was determined by using the asset management system module of the AusNet Gas Services' SAP system. The data from SAP was corrective maintenance work order data that relates to gas leakages. Table 3 below lists which AusNet Gas Service work order description was categorised as which RIN leak type. Data was extracted from SAP into an excel file. The number of leaks was determined by filtering the 'gas leak type' and 'description' columns in an excel file 'S11.2 MA-036_Gas_Leaks_Report_-_Detailed (Jul24-Jun25)'.

Variable: Number of leaks found through leakage survey

This variable was determined by using the asset management system module of the AusNet Gas Services' SAP system. The data from SAP was corrective maintenance work order data that relates to gas leakages. Table 3 below lists which AusNet Gas Service work order description was categorised as which RIN leak type. Data was extracted from SAP into an excel file. The number of leaks was determined by filtering the 'gas leak type' and 'description' columns in an excel file 'S11.2 MA-036_Gas_Leaks_Report_-_Detailed (Jul24-Jun25)'.

Variable: Repaired Leak

Total repaired leaks = Number of Leaks - publicly reported+ Number of Leaks - found through survey.

Variable: Mains – Length of network subject to survey

Leakage survey data was sourced from spreadsheets that AusNet Gas Services receives monthly from their delivery partner (Downer) that details length of network surveyed.

Table: 3

RIN Pipe Types	AusNet Gas Service Codes
Leak – publicly reported	3rd Party Damage SERVICE Non C/W Unpaved
Leak – publicly reported	3rd Party Damaged MAIN C/W (sealed)
Leak – publicly reported	3rd Party Damaged MAIN C/W (Unpaved)
Leak – publicly reported	3rd Party Damaged SERVICE C/W (sealed)
Leak – publicly reported	3rd Party Damaged SERVICE C/W (Unpaved)
Leak – publicly reported	3rd Party Damaged MAIN Non C/W (Unpaved)
Leak – publicly reported	3rd Party Damaged MAIN Non C/W (sealed)
Leak – found through survey	Leak repair after Leakage Survey
Leak – found through survey	Leak repair after Leakage Survey main
Leak – found through survey	Leak repair after Leakage Survey service
Leak – publicly reported	Repair Leak on main - corrosion fault
Leak – publicly reported	Repair of Corrosion Faults
Leak – publicly reported	Repair Reported Leak DISTRIBUTION VALVE
Leak – publicly reported	Repair Reported Leak on MAIN (Sealed)
Leak – publicly reported	Repair Reported Leak on MAIN (Unpaved)

RIN Pipe Types	AusNet Gas Service Codes
Leak – publicly reported	Repair Reported Leak on SERVICE (Sealed)
Leak – publicly reported	Repair Reported Leak on SERVICE Unpaved

S14.1.3 - METERS

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Variable: Number of leaks publicly reported

This variable was determined using AusNet Gas Services trouble order system, PowerOn Gas. Data was extracted to an excel file 'S14.1 Trouble Orders (Gas)_July_2024_to_June_2025'.

The number of leaks was determined by filtering the 'Cause' column for '10 - Gas Meter' and 'Order Status' = 'Closed'.

Variable: Number of leaks found through leakage survey

AusNet Gas Services only surveys mains, there is no data available for the number of services surveyed.

Variable: Repaired Leak

Total repaired leaks = Number of Leaks - publicly reported

Variable: Mains – Length of network subject to survey

AusNet Gas Services only survey mains, there is no data available for the number of meters surveyed.

S14.2 – INSTANCES OF DAMAGE

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Mains and Services

This variable was determined by using the asset management system module of the AusNet Gas Services' SAP system. The data from SAP was corrective maintenance work order data that relates to gas leakages.

The data was disaggregated into the following two cause variables:

- a leak caused by a 3rd party activity.
- a leak caused by other.

Table 4 below lists which AusNet Gas Services leak description were categorised as which RIN leak type. Data was extracted to an excel file 'S11.2 MA-036_Gas_Leaks_Report_-_Detailed (Jul24-Jun25). The number of instances of damage was determined by filtering the 'gas leak type' and 'description' columns.

Table 4

RIN Pipe Types	AusNet Gas Service Codes
3rd Party Damages	3rd Party Damage SERVICE Non C/W Unpaved
3rd Party Damages	3rd Party Damaged MAIN C/W (sealed)
3rd Party Damages	3rd Party Damaged MAIN C/W (Unpaved)
3rd Party Damages	3rd Party Damaged SERVICE C/W (sealed)
3rd Party Damages	3rd Party Damaged SERVICE C/W (Unpaved)
3rd Party Damages	3rd Party Damaged MAIN Non C/W (Unpaved)
3rd Party Damages	3rd Party Damaged MAIN Non C/W (sealed)

RIN Pipe Types	AusNet Gas Service Codes
Other	Leak repair after Leakage Survey
Other	Leak repair after Leakage Survey main
Other	Leak repair after Leakage Survey service
Other	Repair Leak on main - corrosion fault
Other	Repair of Corrosion Faults
Other	Repair Reported Leak DISTRIBUTION VALVE
Other	Repair Reported Leak on MAIN (Sealed)
Other	Repair Reported Leak on MAIN (Unpaved)
Other	Repair Reported Leak on SERVICE (Sealed)
Other	Leak repair after Leakage Survey

Meters

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

This variable was determined using AusNet Gas Services trouble order system, PowerOn Gas. Data was extracted to an excel file ' S14.1 Trouble Orders (Gas)_July_2024_to_June_2025 '

)'. The number of instances of damage was determined by filtering the 'Cause' column for '10. Gas Meter' and the 'Cause Category' column for '20 – Damage' and 'Order Status' = 'Closed'.

F1. INCOME

F1.1 - AUDITED STATUTORY ACCOUNTS

The accounting terms used in this template have the same meaning as is used for the preparation of the financial statements.

Preparation Methodology:

F1.1.1 – REVENUE

F1.1.2 – EXPENDITURE

F1.1.3 - PROFIT

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Data reported in all three tables was sourced from the audited statutory trial balance.

F1.2 – ADJUSTMENTS

F1.1.1 - REVENUE

F1.1.2 - EXPENDITURE

F1.1.3 - PROFIT

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	All items except for depreciation.
		Estimate	Depreciation reflects the straight-line depreciation as per template F10 Assets

Adjustments reported are the difference between the audited statutory trial balance and the Regulated Business amounts. These differences arise due to the following:

- Certain accounts, such as tax balances, finance charges, customer contributions revenue, intercompany amounts and impairment, are outside the scope of the Regulatory Accounts per Regulatory Guidelines;
- Differences between accounting depreciation (i.e., calculated on a straight-line basis) and regulatory depreciation; and
- Operating costs that relate to non-regulated services (which are removed from the Regulatory Accounts in accordance with Regulatory Service Classifications).

All amounts reported were extracted from SAP General Ledger accounts, billing information or from another Templates within the Regulatory Accounts, except as detailed below:

- *Depreciation expenses:* For regulatory reporting, depreciation charges reflect the straight-line depreciation reported in template F10 Assets – refer F10 Assets section below.

As required by Part B: Section 2.11 (c), a schedule of adjustments between the F1.1 Audited Statutory Accounts and F1.3 Distribution Business tables is disclosed in Appendix A.

F1.3 - DISTRIBUTION BUSINESS

This table does not require any data population by AusNet Gas Services as it has pre-determined formulae by the AER.

AusNet Gas Services notes that there is a template design error in table F1.3.1 Distribution Business where for formulae does not provide the proper results for the 'Public' version of the RIN template.

F2. CAPEX

Capital Expenditure ("**Capex**") includes all costs that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management. AusNet Gas Services capitalises overhead expenditure that is directly attributable to bringing an asset to its intended in-service state. This template discloses the gross capex by asset class applicable in the Access Arrangement's AER final decision Post Tax Review Model (**PTRM**) and includes customer contributions.

F2.4 - CAPEX BY ASSET CLASS

Preparation and Methodology

F2.4.2- ACTUAL - AS INCURRED

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Data reported was sourced from SAP based on Capex master data project information. Classifications were determined using project work codes. This data was reviewed by an experienced SME and any necessary project reclassifications were made. The SME also reviewed and allocated the data by project into the prescribed regulatory asset classes. The amounts disclosed in the table F2.4.2 is gross capex and includes any associated customer contributions. Information is reported in the asset classes specified in the applicable access arrangement's AER final decision PTRM.

F2.4.3 - MOVEMENT IN PROVISIONS ALLOCATED TO AS-INCURRED CAPEX

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Estimated	Movements in provisions are not recorded by the categories of this table in the financial systems of AusNet Gas Services. The Company adopted an allocation methodology as described below.

AusNet Gas Services has provision obligations for which it is liable. The table below lists the provisions recorded in the audited trial balance of this business and which provisions have opex and capex movement components.

Provision Name	Opex Movements	Capex Movements
Provision for Doubtful Debts	No	No
Employee Entitlements	Yes	Yes
Environmental Provision	Yes	No
Miscellaneous Provision	Yes	Yes

This table requires movements in provisions applicable to Capex and how they are applied to the prescribed RIN categories. As AusNet Gas Services does not record movements in provisions as required by the template it estimated the capex allocation to these categories.

The capex movement component for each Provision was sourced from the 'F7 Provision' template which was aggregated and then allocated to the prescribed capex categories on a pro rata

basis using the asset class category amounts in table F2.4.2 excluding "Non-IT and Non-approved asset class – non-network Leasehold land & Buildings".

F2.5 - CAPITAL CONTRIBUTIONS BY ASSET CLASS

Preparation and Methodology

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Data reported was sourced from SAP based on customer contribution and gifted assets master data project information. Classifications were determined using project work codes. This data was reviewed by an experienced SME and any necessary project reclassifications were made. The SME also reviewed and allocated the data by project into the prescribed regulatory asset classes.

F2.6 - DISPOSALS BY ASSET CLASS

Preparation and Methodology

F2.6.2 - ACTUAL

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

AusNet Gas Services disposed mainly motor vehicles during the Regulatory Period.

F2.7 - IMMEDIATE EXPENSING CAPEX

F2.7.1 - ACTUAL - AS INCURRED

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Estimate	AusNet Gas Services allocated its immediate expensing of capex using the ratio of capex spend in table F2.4.2 to the asset classes.

The Company capitalises a share of network overheads to capex. The Company uses SAP functionality to apply overheads where applicable at the individual project level.

As the Group's tax year differs from the Regulatory Period, the Group's final tax return for the current period is not yet complete.

AusNet Gas Services' capitalised overheads and capitalised financing costs are immediately expensed capex items. As the Group's tax return is over a different period to that of the RIN, AusNet Gas Services used its capitalised overheads from its 2024-25 RIN submission and capitalised financing costs from SAP as a proxy for its immediately expensed capex items.

Capitalised Overheads (Overheads)

- The overheads were sourced from the SAP reports.
- Overheads are based on an incurred basis.

Capitalised Financing costs (CFC's)

- The CFCs were sourced from the SAP reports.
- CFCs are reported on an incurred basis.
- Although these are immediately expensed for tax purposes, they are excluded from capex additions reported in the RINs.

Table 2.7.1 requires that the pipeline service provider must report its immediate expensing of capex on an 'as incurred' basis. As the Group bases its immediate expensing of capex on when the asset addition was incurred, this amount was sourced from the total of table E1.4.1. The amounts were allocated to the PTRM asset class categories using the ratio of the amounts in each asset class to the total capex spend reported in table F2.4.2, excluding the Other – non-IT and Non-approved asset class - Non- Network Leasehold Land & Buildings - RY25, which do not attract overheads.

F3. REVENUE

Preparation and Methodology

F3.1 - REFERENCE SERVICES

F3.1.1 - REVENUE - BY TARIFF

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Revenue is sourced from the Kinetiq billing system. Accruals are estimated using Effective Degree Days (EDD) as an input to a linear regression model, which forecasts unbilled usage. Prospective EDD is calculated daily based on the average of previous years. Total revenue is derived from billed amounts to retailers, plus accruals, minus reversals. The data is aggregated by customer type and tariff to reflect demand.

F3.2 - ANCILLARY REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

Revenue for each Ancillary Reference Service during the Regulatory Period is sourced from the Kinetiq billing system and reflects charges applied to retailers within that period.

F3.3 - REBATEABLE SERVICES

AusNet Gas Services does not provide these services.

F3.4 - NON-REFERENCE SERVICES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

The data presented in the table was sourced from AusNet Gas Services' financial and billing systems, reflecting services provided to customers.

F3.5 - TOTAL REVENUE

This table is derived by AER created formulae and requires no direct input.

F3.6 - REWARDS AND PENALTIES FROM INCENTIVE SCHEMES

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

The efficiency carryover incentive scheme was the only incentive scheme which led to an increase or decrease in regulated revenue over the current period.

Efficiency carryover revenue or penalties were calculated in the following manner:

1. Sum the nominal efficiency carryover allowance contained within the Gas Access Arrangement Review **(GAAR)** determination (2023-2027).

2. Profile the five-year total within the GAAR period by the smoothed revenue forecast approved in that period. For example, if the five-year total for the efficiency carryover allowance was $10M and the smoothed revenue forecast allowed for $200M per year of revenue, the $10M would be allocated equally to each of the five years ($2M p.a.). If the smoothed revenue profile was more 'back ended', then the efficiency carryover revenue allocated to the end of the five-year period would be higher than was allocated at the start of the period.
3. Using steps (1) and (2) above, the amount of revenue earned in a given year from the efficiency carryover scheme was reported in table F3.6.

The difference between the distribution revenue reported in the F1 Income Statement and F3 template is the Unaccounted for Gas benefits of $3.8M.

F4. OPERATING EXPENDITURE

Preparation and Methodology

F4.1 - OPEX - BY PURPOSE

F4.1.1 - AUDITED STATUTORY ACCOUNTS

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Data reported was sourced from the audited statutory trial balance general ledger accounts.

F4.1.2 - ADJUSTMENTS

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Adjustments reported are the differences between the audited statutory trial balance and the Regulated Business amounts. A schedule of the differences is disclosed Appendix A in accordance the RIN requirements.

Note: where appropriate, AusNet Gas Services will not report a net value for UAFG. UAFG rewards will be reported in 'Other Revenue' in tables F1.1.1 - Revenue and F1.3.1 – Revenue of template F1. Income. The corresponding UAFG penalties will be reported as expenditure in tables F4.1.1 – Audited Statutory Accounts and F4.1.3 - Distribution Business of template F4. Opex.

F4.1.3 - DISTRIBUTION BUSINESS

Period	Type	Information	Assumption – Estimated Information
2024-25	Public	Actual	N/A

AusNet Gas Services records costs directly to projects and services, where possible and appropriate. Where costs are not directly costed to a project, indirect (causal) costing is used to allocate costs across projects and services.

SAP uses work codes to record costs against the relevant pre-populated categories in the table.

Software as a Service

In accordance with the AER's Advisory Note 2, issued by the AER to AusNet via email on 14 August 2023, AusNet have disclosed below its treatment of Software-as-a-Service expense.

Period	SaaS Expense	Current Treatment	RIN Disclosure
2024-25	2,845,149	Opex as per Accounting Std.	Table F4.1.3 – Other Opex

Schedule of Adjustments

As required by Part B: Section 2.14 (b), a schedule of adjustments between the F4.1 Audited Statutory Accounts and F4.3 Distribution Business tables is disclosed in Appendix A.

F6. RELATED PARTY TRANSACTIONS

F6.1 - AusNet (Gas) PAYMENTS GREATER THAN $1,000,000 MADE TO RELATED PARTY

F6.1.1 – EXPENDITURE

Related Party transaction amounts were determined based on a report generated in the financial systems of the Company using the project cost data. Transactions shown are the aggregate amounts for related parties where the total of the transactions in the Regulatory Period exceeds $1,000,000.

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

Related Party transaction amounts were determined based on a report generated from the financial systems of the Company using project cost data. Transactions shown are the aggregate amounts for related parties where the total of the transactions in the Regulatory Period exceeds $1,000,000.

AusNet Gas Services did not have such transactions.

F6.1.2 - CORRESPONDING EXPENSES INCURRED BY RELATED PARTY

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

Entities within the AusNet Group do provide services to AusNet Gas Services which is at cost i.e., expenses incurred by the Related Party are equal to the expenditure incurred by the company as the services provided by the Related Party are done so at cost.

AusNet Gas Services did not have such transactions.

F6.2 - AusNet (Gas) PAYMENTS GREATER THAN $1,000,000 RECEIVED FROM RELATED PARTY

F6.2.1 – REVENUE

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

AusNet Gas Services did not have such transactions.

F6.2.2 - CORRESPONDING EXPENSES INCURRED BY AusNet (Gas)

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

AusNet Gas Services did not have such transactions.

F6.3 - RELATED PARTY MARGIN EXPENDITURE - BY CATEGORY

As entities within the AusNet Group provide services to AusNet Gas Services at cost, no margins are applicable.

F6.3.1 – CAPEX

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

As entities within the AusNet Group provide services to AusNet Gas Services at cost, no margins are applicable.

AusNet Gas Services did not have such transactions.

F6.3.2 – OPEX

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

As entities within the AusNet Group provide services to AusNet Gas Services at cost, no margins are applicable.

AusNet Gas Services did not have such transactions.

F6.4 - PER CENTAGE OF CAPEX OUTSOURCED TO RELATED PARTY

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

AusNet Gas Services was able to trace the actual related party capex costs to work codes which map to the RIN table categories in the table. The percentage capex outsourced to related parties was calculated as actual related party capex costs divided by total costs for the relevant capex category.

AusNet Gas Services did not have such transactions.

F6.5 - PERCENTAGE OF OPEX OUTSOURCED TO RELATED PARTY

Period	Type	Information	Assumption – Estimated Information
2024-25	Confidential	Actual	N/A

Preparation Methodology:

Percentage of opex to related party is calculated as related party opex expenditure divided by total opex expenditure.

AusNet Gas Services did not have such transactions.

F7. PROVISIONS

Provisions are recognised when AusNet Gas Services has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount of the provision can be measured reliably. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the relevant reporting date, considering the risks and uncertainties surrounding the obligations. Where a provision is measured using the future cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows.

Preparation and Methodology

The information disclosed in the template is sourced from the trial balance of the Company meaning the opening and closing balances are Actual Information. However, the miscellaneous provision closing balance reported in the template, differs to that reported in the statutory trial balance. While the underlying total provision for the AusNet Services Group is sourced from SAP, the derived regulatory closing balance for AusNet Gas Services is based on the Groups' CAM which differs to the statutory allocation methodology. The Company has therefore determined that the miscellaneous provision closing balance is actual information in accordance with the Notice.

The movement in the employee entitlements provision is sourced from SAP, however the split between capex and opex is calculated using a proportional allocation. AusNet Gas Services used its labour costs sourced from its overheads opex and capitalised opex project costs for the Regulatory Period and calculated a percentage split of labour opex and capex to the total labour costs. The resultant percentage is applied to the provisions movement to obtain the opex and capex proportions.

The provision movements classified as "Other" are movements to the balance sheet.

Provision Name	Category	Type	Actual	Estimate	Assumption – Estimated Information
Employee Entitlements	Opening/Closing Balances	Confidential	Yes	No	N/A
	All movements	Public	Yes	No	N/A
Environmental Provision	Opening/Closing Balances	Confidential	Yes	No	N/A
	All movements	Public	Yes	No	N/A
Miscellaneous Provision	Opening/Closing Balances	Confidential	Yes	No	N/A
	All Opex movements	Public	Yes	No	N/A
	All Capex movements	Public	Yes	No	N/A

Below is a table that shows which provision has opex and capex allocations.

Provision Name	Opex Movements	Capex Movements
Employee Entitlements	Yes	Yes
Environmental Provision	Yes	No
Miscellaneous Provision	Yes	Yes

Provisions include an environmental provision which represents an estimate of costs of rehabilitating sites, including the estimated costs to remediate soil and water contamination on gas sites which were previously used as coal production facilities. The provision is based on preliminary cost estimates and timing of remediation, considering current legal and regulatory requirements, the estimated extent of the contamination, the nature of the site and surrounding areas, and the technologies and methods available.

Management is exploring a number of strategies for future land use options for three sites, with the estimation of the provision at period end being based on the current preferred option. The extent of remediation activities and associated costs may differ significantly depending on which option is ultimately chosen and on other factors impacting the extent of ultimate remediation effort and underlying cost that are not known at balance date. As a result, there is a risk that in the event of full remediation of all three sites, the cost may significantly exceed the provision at 30 June 2025.

F9. PASS THROUGHS

F9.1 - PASS THROUGH EVENT EXPENDITURE

AusNet Gas Services did not incur any pass-through events during the regulatory year.

F10. ASSETS

F10.1 - CAPITAL BASE VALUES

This table is based on Regulatory methodology which although uses some accounting sourced financial information, it does not follow accounting concepts.

Example:

The additions reported in the F10 table is regarded as actual information for regulatory purposes. The AER's view is it considers the movement in capitalised provisions during the regulatory control period should be adjusted from capex inputs to the RFM. This approach means capitalised costs related to these provisions are only included in the RAB when they are paid out (incurred) by the business.

Period	Type	Information	Assumption – Estimated Information
Jul 2024 -Jun 2025	Public	Actual	N/A – additions (regulatory principle based) and disposals (accounting based) are actual information.
		Estimate	AER confirmed that the RAB roll forward must use forecast straight-line depreciation (adjusted for inflation) rather than actual depreciation. As the depreciation is an estimate, the Opening, Inflation and Closing amounts become estimates.

Preparation and Methodology

The RAB roll forward for the current period has been prepared in accordance with the RIN instructions. The roll forward is a nominal roll forward approach. Due to the HY2023 (t-1) period, we used a modified of the AER's roll forward model (Version 3) for Electricity DNSP's as this was set up to include both the CY2022 (t-2) and HY2023 (t-1) periods. The AER agrees that AusNet's suggested use of the amended electricity distribution RFM for the Victorian electricity DNSPs as an interim approach seems reasonable, until such time the AER releases its amended Gas Distribution roll forward model for the 2028-32 reset (planned for 2025).

Methodology

The Jul 2024 opening RAB value was sourced from the 'Gas roll forward model - 2024-28 - 20251014'. Opening RAB indexation was applied using 1-year lagged inflation consistent with the all-lagged inflation approach in the Distribution RFM model.

In accordance with the AER's standard approach, actual gross capex inputs (as-incurred) were sourced from the annual regulatory accounts and adjusted to remove capitalised provision movements (as-incurred basis).

Real straight-line depreciation by RAB class was sourced from the final decision Post Tax Revenue Model ('AER - AusNet (GD) 2023-28 - Final decision - PTRM - 2024-25 RoR Update').

The determination made by the AER confirms that the RAB roll forward must use forecast straight-line depreciation (adjusted for inflation) rather than actual depreciation.

Opening RAB indexation was applied using 1-year lagged inflation (December quarter basis), consistent with the inflation approach in the roll forward model for the current regulatory control period (2023-28).

Adjustments

Several opening RAB adjustments have been made relating to prior period expenditure that were not previously included in the RAB roll forward calculation. This includes:

1. Equity Raising Costs allowances as sourced from the HY2023 AER Final decision PTRM and 2023-28 AER Final Determination PTRM, including HY2023 ($0.31m) and 2023-24 ($0.30m). These values include a half-year inflation adjustment to convert them to mid-year $Nominal, consistent with the agreed AER approach.

2. An additional error was discovered in the Movements in Capitalised Provisions for HY2023 as part of Gross capex inputs (post adjustment of movement in capitalised provisions). This changed from $0.01m to $0.17m.

These corrections are reflected in the Roll Forward Model opening RAB calculation for 2024-25.

APPENDIX A – F1 INCOME & F4 OPEX TEMPLATE ADJUSTMENTS.

Part B Section 2.11 (c) (i) (ii) of Appendix E requires that for each adjustment made in tables F1.2 and F4.1.2 the pipeline service provider must in the basis of preparation, specify the amount of the adjustment and describe the nature and basis of each adjustment. Below is a schedule of adjustments. There are some immaterial rounding items, which were not adjusted.

TABLE - F1.2 ADJUSTMENTS		Jul-24 to Jun-25
F1.2.1 - INCOME	Comments	
Capital contributions	Not carried to regulatory accounts	13,418,897
Other revenue	Reclass of 'Other Revenue' to 'Distribution Revenue' in accordance with RIN definition of distribution revenue	4,995,494
Distribution revenue	Reclass of 'Other Revenue' to 'Distribution Revenue' in accordance with RIN definition of distribution revenue	(4,995,494)
Distribution revenue	Difference in recognition of revenue item in statutory accounts vs regulatory accounts	-
TOTAL ADJUSTMENTS PER TABLE F1.2.1		13,418,897
		-

TABLE - F1.2 ADJUSTMENTS		Jul-24 to Jun-25
F1.2.2 - EXPENDITURE	Comments	
Operating expenditure	Unregulated items not carried to the distribution business	253,602
Operating expenditure	Difference in recognition of opex items in statutory accounts vs regulatory accounts	(1,636,555)
Total Operating expenditure		(1,382,953)
Depreciation	Adjust statutory depreciation to report regulatory depreciation per F10 Template	(37,226,466)
Net finance expenses	Exclude finance expense from the regulatory accounts	27,512,322
TOTAL ADJUSTMENTS PER TABLE F1.2.2		(11,097,097)
		-

TABLE F4.1.2 - ADJUSTMENTS		Jul-24 to Jun-25
F4.1.2 - OPEX	Comments	
repairs and maintenance	Report opex related to repairs and maintenance	(20,393,191)
unaccounted for gas	Jurisdictional charges incorrectly recorded in UAFG GL	4,222,234
jurisdictional charges	Jurisdictional charges incorrectly recorded in UAFG GL	(4,222,234)
other opex	Balancing adjustment of remaining opex items reported as 'other opex', including repairs and maintenance as per above	19,010,238
TOTAL ADJUSTMENTS PER TABLE F4.1.2		(1,382,953) -

APPENDIX B – SCHEDULE 1 VARIANCE VS PTRM

Schedule 1 section 1.6 requires the pipeline service provider to explain in the basis of preparation the reasons for each difference identified in section 1.5. The following unaudited tables and explanations present the actual outcomes recorded in the current RIN with amounts expressed in nominal (2024-25) dollars.

Explanation of variances +/- 10% compared to Approved PTRM.

Operating and Maintenance Expenditure ($M)

Year	Item	Actual	PTRM	Variance	Variance (%)
2024-25	Operating and Maintenance Expenditure	66.6	75.5	8.9	11.7

Operating and Maintenance Expenditure, excluding Ancillary Reference Service costs was $66.7M compared to the approved PTRM of $75.5M.

This is due to lower network operating costs due to savings from Step Change Allowances for Abolishments and the Priority Services Program which are yet to come to fruition. There are also savings in labour and other corporate activities which are partially offset by higher network IT costs.

The underspend to PTRM allowance is also due to savings from the Step Change Allowance for cloud costs which are yet to materialise.

The above savings are partially offset by higher regulator type fees.

Note the PTRM allowance excludes cost recovery build-up of ancillary reference services.

Net Capital Expenditure ($M)

Year	Item	Actual	PTRM	Variance	Variance (%)
2024-25	Capital expenditure	108.1	108.5	0.4	0.4

Net Capital Expenditure was $108.1 compared to the approved PTRM of $108.5M. Percentage variance of 0.4% is below the ±10% threshold, no explanation is required.

Total Volume of Gas Distributed (TJ)

Note the AER only approves a forecast for Tariff V volumes, this means that the table below does not include Tariff D/M volumes.

Year	Item	Actual	PTRM	Variance	Variance (%)
2024-25	Volume of Gas Distributed	31,810	35,892	4,082	11.4

Total volume of gas distributed was 31,810 TJ compared to the approved PTRM of 35,892 TJ (sourced from the 'Forecast Revenues' tab of the PTRM). As the percentage variance of 11.4%. Decrease in Residential customer demand is primarily driven by the Victorian Government's Gas Substitution Roadmap, which promotes a transition away from gas through electrification incentives, updated building codes, and restrictions on new gas connections. These measures have significantly reduced residential and small commercial gas demand, particularly in new-build properties that are increasingly constructed as all-electric. This shift not only impacts current consumption but also has implications for future network planning, with a likely curtailment of augmentation capex due to lower expected growth in gas connections and volumes. Additionally, there are Government-led initiatives aimed at accelerating the transition away from natural gas usage through electrification incentives, energy efficiency policies, decarbonisation targets and local government actions to ban and restrict new gas connections in residential buildings.

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