

Attachment 2

Basis of Preparation

Responses to the 2021 to 2026 Access Arrangement
Regulatory Information Notice

July 2020

Contents

Overview	4
E2. Mains Repex	6
E 2.1 – Capex.....	6
E 2.2 – Volumes.....	15
E3. Mains Augex	26
E3.1 – Capex by Project	26
E3.2 – Volumes – by Pressure Type – by Project.....	29
E4. Meter Replacement	30
E4.1 - Capex.....	30
E4.2 – Volumes	47
E5. New Connections	55
E5.1 - Expenditure.....	55
E5.2 - Unit Rates.....	70
E5.3 – Volumes	74
E5.4 – Capital Contributions	84
E6. Non-Network	88
E6.5 – Telemetry	88
E10. Overheads	91
E10.1- Network.....	91
E10.2 – Corporate	92
E12. Information and Communication Technology	94
E12.1 – Capex – by Project.....	94
E13. Other Capex	99
E13.1 – Other Capex – by Project.....	99
N2. Network Characteristics	104
N2.5 – Network Length – by Postcode.....	104
Efficiency Carryover Mechanism	105
7.5.1 – The carryover amounts that arise from applying the ECM during the current regulatory control period	105
Appendix A: Cost Collection and Reporting Process - Capex	110
Appendix B: Overhead Expenditure	113

Appendix C: Related Party Transactions and Margins.....115
Appendix D: Regulatory accounting policy and other adjustments.....117

Overview

The Australian Energy Regulator (AER) served '2021 -2026 Access Arrangement Regulatory Information Notice' (RIN) on Australian Gas Networks (AGN) (South Australia) (SA) gas distribution networks on 28 February 2020 under National Gas Law (NGL). The RIN requires AGN SA to provide the information and prepare and maintain the information in the manner and form specified in the written notice which includes the following five Regulatory Templates:

- Workbook 1 - Forecast data Regulatory Year (RY) 2019/2020 – RY 2025/2026
- Workbook 2 - Historical data RY 2014/2015 – RY 2018/2019
- Workbook 3 – Efficiency Carryover Mechanism (ECM)
- Workbook 4 – Indicative Bill Impact
- Workbook 5 – Annual data RY 2019/2020

The RIN requires AGN SA to submit the information to the AER on or before 5 pm Australian Eastern Standard Time on the following dates:

- 1 July 2020 - Workbooks 1 to 4 including Historical Data from RY 2014/2015 to RY 2018/2019 and forecast data from RY 2019/2020 to RY 2025/2026; and
- 30 November 2020 - Workbook 5 for RY2019/2020 Data.

Basis of Preparation

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

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

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

- data source of the information provided;

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

E2. Mains Repex

E 2.1 – Capex

E2.1.1 – Proactive – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited’s cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i>			
Direct Internal labour expenditure	AGN Limited does not incur internal labour expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA Asset Management (APA) under an Operating and Management Agreement (OMA). Accordingly this expenditure is reported as Direct Contractor expenditure below.	Actual		
Direct Contractor expenditure	<p>Given all network capex is performed by APA under the OMA, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>Capex reported for Proactive Mains Replacement projects includes programmed renewal of specific areas of mains, specified at a project level.</p> <p>All projects with the following task description have been designated as Proactive projects:</p> <ul style="list-style-type: none"> • Cast Iron Block 	Actual		Note: Negative amounts reported in the RIN template represent reversal of accruals.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • HDPE Class 250 • HDPE Class 575 • Trunk Pressure Increase • Trunk Stay In Business <p>In 2014-15 and 2015-16 APA were unable to provide project details per suburb due to a change in Maximo (works management system). Therefore the following additional tasks were used</p> <ul style="list-style-type: none"> • Miscellaneous projects-Cast Iron Block • Assorted proactive Trunk-Trunk Pressure Increase • Assorted proactive Trunk-Stay In Business • Assorted proactive piecemeal Pressure Increase-Piecemeal <p>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited’s policies and processes for cost allocation (e.g. The adjustment to remove NMF from Capitalised Overheads).</p>			
Other Internal direct expenditure	AGN Limited does not incur Other Internal direct expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure above.</p>			
<p>Total Overhead expenditure</p>	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure.</p> <p>Network overheads that have been applied to this category of capex represent a pro-rata allocation of the overheads that have been allocated by APA to all Mains Replacement projects with the following activity names:</p> <ul style="list-style-type: none"> • 2350 Mains Renewal – Block • 2356 Mains Renewal – CBD Block • 2361 Mains Renewal – HDPE 250 • 2362 Mains Renewal – HDPE 575 • 2353 Mains Renewal – Piece Pressure Increase • 2354 Mains Renewal – Trunk Pressure Increase • 2352 Mains Renewal Trunk <p>Overheads have been applied to each project and each group of assorted projects on a pro-rata basis, based on the level of expenditure and the applicable overhead rate for each year, which enables the total capitalised overheads for each</p>	<p>Actual</p>		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals.</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>year to be amortised across each project or group of projects.</p> <p>Overheads represent Network overheads which is an allocation of APA’s overheads associated with delivering AGN Limited’s capex program. APA’s overheads include an allocation of the Network Management Fee (NMF) paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, all of the NMF is reported as operating expenditure.</p> <p>AGN Limited does not capitalise any of its own internal overheads.</p>			
<p>Related Party margin expenditure</p>	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA’s margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>	<p>Actual</p>		
<p>Capital Contributions</p>	<p>There were no Capital contributions received by AGN Limited in relation to Proactive Mains Replacement Capex</p>	<p>Actual</p>		

E2.1.2 – Reactive – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited’s cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited’s policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	AGN Limited does not incur internal labour expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure below.			
- Mains		Actual		
- Services		Actual		
Direct Contractor expenditure	<p>Given all network capex is performed by APA under the OMA, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>Capex reported for Reactive Mains Replacement projects includes unplanned capital expenditure</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>associated with mains replacement which is required where repairs are not possible and urgent replacement of mains is required to manage gas escape.</p>			
<p>- Mains</p>	<p>For <u>Mains</u>, all projects with the following task description have been designated as Reactive projects:</p> <ul style="list-style-type: none"> • Piecemeal <p>Refer to Appendix D for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment type:</p> <ul style="list-style-type: none"> • "Piecemeal Mains Replacement" where certain expenditure is treated as Opex. <p>Due to the above mentioned regulatory accounting policy, all expenditure originally recorded against these activities has been transferred to operating expenditure. Therefore there is nil amount of capital expenditure to report in this section of the RIN table.</p>	<p>Actual</p>		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals.</p>
<p>- Services</p>	<p>For <u>Services</u>, all projects with the following activity names have been designated as Reactive projects:</p>	<p>Actual</p>		<p>Note: Negative amounts reported in the RIN template</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> 2364 Mains Renewal – Multi Service 2370 Service Renewal – AMRP 2371 Service Renewal – Non AMRP 			represent reversal of accruals.
Other Internal direct expenditure	AGN Limited does not incur Other Internal direct expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure above.			
- Mains		Actual		
- Services		Actual		
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure</p> <p>Overheads represent Network overheads which is an allocation of APA’s overheads associated with delivering AGN Limited’s capex program. APA’s overheads include an allocation of the NMF paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies</p>			

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>document, for regulatory purposes, all of the NMF is reported as operating expenditure.</p> <p>AGN Limited does not capitalise any of its own internal overheads.</p> <p>Overheads have been applied to each project and each group of assorted projects on a pro-rata basis, based on the level of expenditure and the applicable overhead rate for each year, which enables the total capitalised overheads for each year to be amortised across each project or group of projects.</p> <p>Network overheads that have been applied to this category of capex represent a pro-rata allocation of the overheads that have been allocated by APA to all Mains Replacement projects with the following activity names:</p>			
<p>- Mains</p>	<p>For Mains:</p> <ul style="list-style-type: none"> • 2363 Mains Renewal – HDPE Piece • 2351 Mains Renewal – Piece 	<p>Actual</p>		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals.</p>
<p>- Services</p>	<p>For Services:</p> <ul style="list-style-type: none"> • 2364 Mains Renewal – Multi Service 	<p>Actual</p>		<p>Note: Negative amounts reported in the RIN template</p>

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> 2370 Service Renewal – AMRP 2371 Service Renewal – Non AMRP 			represent reversal of accruals.
Related Party margin expenditure	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA’s margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>			
- Mains		Actual		
- Services		Actual		
Capital Contributions	There were no Capital contributions received by AGN Limited in relation to Reactive Mains Replacement Capex.			
- Mains		Actual		
- Services		Actual		

E 2.2 – Volumes

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Low pressure to high pressure (metres replaced)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <ul style="list-style-type: none"> • 2350 Mains Renewal – Block • 2356 Mains Renewal – CBD Block <p>Cast Iron replacement is categorised as Low Pressure to High Pressure.</p> <p>Prior to the establishment of distinct categories for this type of work in APA’s systems (in 2018-19) all Mains Replacement was allocated to the following Activities:</p> <ul style="list-style-type: none"> • 2350 Mains Renewal – Block • 2351 Mains Renewal – Piece • 2353 Mains Renewal – Piece Pressure Increase • 2352 Mains Renewal – Trunk • 2354 Mains Renewal – Trunk Pressure Increase 	Estimate	<p>Prior to the 2018-19 regulatory year, APA’s Maximo and Oracle systems did not contain separate activities for HDPE or CBD Mains Replacement work.</p> <p>Therefore the allocation of historic volumes and costs has required a degree of estimation to be made where historic records were not available at this level of detail.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is the best estimate possible in the circumstance.</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>The allocation of historic costs & volumes in the RIN to:</p> <ul style="list-style-type: none"> • 2356 Mains Renewal – CBD Block • 2361 Mains Renewal – HDPE 250 • 2362 Mains Renewal – HDPE 575 • 2363 Mains Renewal – HDPE Piece <p>has been based on source records and in some cases has required a degree of estimation to be made where historic records were not complete.</p> <p>In addition, in the case of some HDPE 250 projects, there can be small quantities of HDPE 575 included. To reflect this, a reconciling project has been included in the RIN called HDPE_Reallocation to balance out the quantities of HDPE to the expected inventory.</p>			
<p>Low pressure to medium pressure (metres replaced)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <p>The projects listed in the RIN template are:</p>	<p>Estimate</p>	<p>Prior to the 2018-19 regulatory year, APA’s Maximo and Oracle systems did not contain separate activities for HDPE or CBD Mains Replacement work.</p> <p>Therefore the allocation of historic volumes and costs has required a degree of estimation to be made where historic records were</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • Fulham Gardens – CI Block • Newton CI – CI Block • CBD – CI Block 2016/17 <p>The specific projects identified in this pressure category are allocated to material and pressure categories during the planning and design phase based on network configuration information in the APA GIS mapping system.</p>		<p>not available at this level of detail.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is the best estimate possible in the circumstance.</p>	
<p>Low pressure to low pressure (metres replaced)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <p>The projects listed in the RIN template are:</p> <ul style="list-style-type: none"> • CBD – CI Block 2017/18 – 2018/19 <p>The specific projects identified in this pressure category are allocated to material and pressure categories during the planning and design phase based on network configuration information in the APA GIS mapping system.</p>	<p>Estimate</p>	<p>Prior to the 2018-19 regulatory year, APA’s Maximo and Oracle systems did not contain separate activities for HDPE or CBD Mains Replacement work.</p> <p>Therefore the allocation of historic volumes and costs has required a degree of estimation to be made where historic records were not available at this level of detail.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is the best estimate possible in the circumstance.</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Medium pressure to high pressure (metres replaced)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <ul style="list-style-type: none"> • 2361 Mains Renewal – HDPE 250 <p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <p>The projects listed in the RIN template are:</p> <ul style="list-style-type: none"> • Ascot Park A-HDPE Class 250 • Ascot Park A-HDPE Class 575 <p>The specific projects identified in this pressure category are allocated to material and pressure categories during the planning and design phase based on network configuration information in the APA GIS mapping system.</p>	Estimate	<p>Prior to the 2018-19 regulatory year, APA’s Maximo and Oracle systems did not contain separate activities for HDPE or CBD Mains Replacement work.</p> <p>Therefore the allocation of historic volumes and costs has required a degree of estimation to be made where historic records were not available at this level of detail.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is the best estimate possible in the circumstance.</p>	
Medium pressure to medium pressure (metres replaced)	Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with	Estimate	Prior to the 2018-19 regulatory year, APA’s Maximo and Oracle systems	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <ul style="list-style-type: none"> • 2352 Mains Renewal – Trunk • 2354 Mains Renewal – Trunk Pressure Increase <p>Trunk Replacement is categorised as Medium Pressure to Medium Pressure.</p> <p>Prior to the establishment of distinct categories for this type of work in APA’s systems (in 2018-19) all Mains Replacement was allocated to the following Activities:</p> <ul style="list-style-type: none"> • 2350 Mains Renewal – Block • 2351 Mains Renewal – Piece • 2353 Mains Renewal – Piece Pressure Increase • 2352 Mains Renewal – Trunk • 2354 Mains Renewal – Trunk Pressure Increase <p>The allocation of historic costs & volumes in the RIN to:</p> <ul style="list-style-type: none"> • 2356 Mains Renewal – CBD Block • 2361 Mains Renewal – HDPE 250 • 2362 Mains Renewal – HDPE 575 • 2363 Mains Renewal – HDPE Piece 		<p>did not contain separate activities for HDPE or CBD Mains Replacement work.</p> <p>Therefore the allocation of historic volumes and costs has required a degree of estimation to be made where historic records were not available at this level of detail.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is the best estimate possible in the circumstance.</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>has been based on source records and in some cases has required a degree of estimation to be made where historic records were not complete.</p> <p>In addition, in the case of some HDPE 250 projects, there can be small quantities of HDPE 575 included. To reflect this, a reconciling project has been included in the RIN called HDPE_Reallocation to balance out the quantities of HDPE to the expected inventory.</p>			
<p>High pressure to high pressure (metres replaced)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <ul style="list-style-type: none"> • 2362 Mains Renewal – HDPE 575 <p>HDPE Class 575 Replacement is categorised as High Pressure to High Pressure.</p> <p>Prior to the establishment of distinct categories for this type of work in APA’s systems (in 2018-19) all Mains Replacement was allocated to the following Activities:</p> <ul style="list-style-type: none"> • 2350 Mains Renewal – Block • 2351 Mains Renewal – Piece 	<p>Estimate</p>	<p>Prior to the 2018-19 regulatory year, APA’s Maximo and Oracle systems did not contain separate activities for HDPE or CBD Mains Replacement work.</p> <p>Therefore the allocation of historic volumes and costs has required a degree of estimation to be made where historic records were not available at this level of detail.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • 2353 Mains Renewal – Piece Pressure Increase • 2352 Mains Renewal – Trunk • 2354 Mains Renewal – Trunk Pressure Increase <p>The allocation of historic costs & volumes in the RIN to:</p> <ul style="list-style-type: none"> • 2356 Mains Renewal – CBD Block • 2361 Mains Renewal – HDPE 250 • 2362 Mains Renewal – HDPE 575 • 2363 Mains Renewal – HDPE Piece <p>has been based on source records and in some cases has required a degree of estimation to be made where historic records were not complete.</p> <p>In addition, in the case of some HDPE 250 projects, there can be small quantities of HDPE 575 included. To reflect this, a reconciling project has been included in the RIN called HDPE_Reallocation to balance out the quantities of HDPE to the expected inventory.</p>		<p>the best estimate possible in the circumstance.</p>	

E2.2.2 – Reactive – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Low pressure to high pressure				
- Metres of mains replaced	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <ul style="list-style-type: none"> • 2363 Mains Renewal – HDPE Piece • 2351 Mains Renewal – Piece <p>Non Planned Piecework Mains Replacement is classified as reactive Low to High Pressure Replacement.</p> <p>Prior to the establishment of distinct categories for this type of work in APA’s systems (in 2018-19) all Mains Replacement was allocated to the following Activities:</p> <ul style="list-style-type: none"> • 2350 Mains Renewal – Block • 2351 Mains Renewal – Piece • 2353 Mains Renewal – Piece Pressure Increase • 2352 Mains Renewal – Trunk 	Estimate	<p>Prior to the 2018-19 regulatory year, APA’s Maximo and Oracle systems did not contain separate activities for HDPE or CBD Mains Replacement work.</p> <p>Therefore the allocation of historic volumes and costs has required a degree of estimation to be made where historic records were not available at this level of detail.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is the best estimate possible in the circumstance.</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> 2354 Mains Renewal – Trunk Pressure Increase <p>The allocation of historic costs & volumes in the RIN to:</p> <ul style="list-style-type: none"> 2356 Mains Renewal – CBD Block 2361 Mains Renewal – HDPE 250 2362 Mains Renewal – HDPE 575 2363 Mains Renewal – HDPE Piece <p>has been based on source records, and in some cases has required a degree of estimation to be made where historic records were not complete.</p> <p>In addition, in the case of some HDPE 250 projects, there can be small quantities of HDPE 575 included. To reflect this, a reconciling project has been included in the RIN called HDPE_Reallocation to balance out the quantities of HDPE to the expected inventory.</p>			
<p>- Number of services replaced</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <ul style="list-style-type: none"> 2364 Mains Renewal – Multi Service 	<p>Actual</p>		

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> 2370 Service Renewal – AMRP 2371 Service Renewal – Non AMRP <p>Non Planned Service renewals are classified as reactive Low to High Pressure Replacement.</p>			
Low pressure to medium pressure				
- Metres of mains replaced	There are no volumes to report in this category of connections capex.	Actual		
- Number of services replaced	There are no volumes to report in this category of connections capex.	Actual		
Low pressure to low pressure				
- Metres of mains replaced	There are no volumes to report in this category of connections capex.	Actual		
- Number of services replaced	There are no volumes to report in this category of connections capex.	Actual		
Medium pressure to high pressure				

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Metres of mains replaced	There are no volumes to report in this category of connections capex.	Actual		
- Number of services replaced	There are no volumes to report in this category of connections capex.	Actual		
Medium pressure to medium pressure				
- Metres of mains replaced	There are no volumes to report in this category of connections capex.	Actual		
- Number of services replaced	There are no volumes to report in this category of connections capex.	Actual		
High pressure to high pressure				
- Metres of mains replaced	There are no volumes to report in this category of connections capex.	Actual		
- Number of services replaced	There are no volumes to report in this category of connections capex.	Actual		

E3. Mains Augex

E3.1 – Capex by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited’s cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited’s policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	<p>AGN Limited does not incur internal labour expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure below.</p>	Actual		
Direct Contractor expenditure	<p>Given all network capex is performed by APA under the OMA, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>Mains Augmentation projects includes capital expenditure incurred on the AGN (SA) pipeline due to a change in the capacity requirements of mains and services in the gas distribution network to meet the demands of existing and future customers.</p>	Actual		Note: Negative amounts reported in the RIN template represent reversal of accruals.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Capex reported for Mains Augmentation projects has been identified with reference to specific project names in APA’s Oracle finance system that are known to be Mains Augmentation projects. Projects with expenditure greater than \$500k per annum have been reported separately, with all other projects in this category grouped.</p> <p>The projects reported as Mains Augmentation projects are identified by the following activity names in APA’s Oracle finance system:</p> <ul style="list-style-type: none"> • 3038 Major Projects – Seaford Stage 2/Aldinga • 3065 Major Projects – Adelaide CBD HP Mains Ext East • 3015 Major Projects – Murray Bridge <p>And the following the following projects under \$500k which have been grouped:</p> <ul style="list-style-type: none"> • 2160 New Main – Improved Supply • 2959 Major Projects – Greenhill Rd • 3000 Major Projects – Tapleys Hill Road • 3002 Major Projects – DPTI Road Profiling 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Refer to Appendix D for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types:</p> <ul style="list-style-type: none"> • “Heat Shrinking Sleeves” where certain expenditure is treated as Opex. 			
Other Internal direct expenditure	<p>AGN Limited does not incur Other Internal direct expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure above.</p>	Actual		
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure</p> <p>Network overheads allocated by APA to these projects represents the overheads recorded in APA’s Oracle finance system at the time expenditure was incurred. Overheads are allocated by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA’s overheads include an allocation of the Network Management Fee (NMF) paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the</p>	Actual		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals.</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Regulatory Accounting Principles and Policies document, for regulatory purposes, all of the NMF is reported as operating expenditure.			
Related Party margin expenditure	Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.	Actual		
Capital Contributions	There were no Capital contributions received by AGN Limited for Mains Augmentation Capex	Actual		

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Low pressure to high pressure (metres augmented)	There are no volumes to report in this category of mains augmentation capex.	Actual		
Low pressure to medium pressure (metres augmented)	There are no volumes to report in this category of mains augmentation capex.	Actual		
Low pressure to low pressure (metres augmented)	There are no volumes to report in this category of mains augmentation capex.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Medium pressure to high pressure (metres augmented)	There are no volumes to report in this category of mains augmentation capex.	Actual		
Medium pressure to medium pressure (metres augmented)	There are no volumes to report in this category of mains augmentation capex.	Actual		
High pressure to high pressure (metres augmented)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes by Activity.</p> <p>Projects which relate to installation of new Transmission Pressure or High Pressure Pipe have been classified as High Pressure to High Pressure.</p>	Actual		

E4. Meter Replacement

E4.1 - Capex

E4.1.1 – New Meters Acquired

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited’s cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited’s policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	AGN Limited does not incur internal labour expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure below.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Direct Contractor expenditure	<p>Given all network capex is performed by APA under the OMA, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>Expenditure has been reported only against New Meters Acquired and Meter Refurbishment because AGN Limited and APA’s business systems and processes are not designed to provide any further breakdown of costs, as requested in this RIN table. Data is captured by APA on the number of meters refurbished each</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>year and this has been used to split the costs between new and refurbished meters.</p> <p>Capex reported in this category relates to the cost of new meters installed into the AGN (SA) network for operation.</p> <p>Replacing domestic gas meters involves:</p> <ul style="list-style-type: none"> • procuring any new or refurbished meters required, including quality control; • planning and scheduling of meters to be changed over; • organising resources (combination of direct and contractor) to carry out the meter change, which includes testing of outlet service and relighting appliances, and if required, re-attending premises after hours if the customer requires assistance; • testing meters brought in from the field; • life extension; and • refurbishing meters as required. <p>Costs reported for New Meters include the above activities, excluding the cost of refurbished meters which are reported in their own category below. A meter is an instrument that measures the quantity of gas passing through it and includes associated equipment attached to the instrument to filter, control or regulate the flow of gas.</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Capex reported for Meter Replacement projects has been identified with reference to the expenditure captured in APA’s Oracle finance system against the following activity names:</p> <ul style="list-style-type: none"> • 2545 Meter – Change – Domestic • 2745 Meter – Change – I&C < 10TJ • 2845 Meter – Change – I&C > 10TJ <p>Expenditure for New Meters Acquired and Meter Refurbishment has been totalled and then allocated between each category and each customer type based on the proportion of new and refurbished meters each year.</p>			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Other Internal direct expenditure	<p>AGN Limited does not incur Other Internal direct expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure above.</p>			
- Residential		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial and Commercial		Actual		
- Other		Actual		
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure</p> <p>Network overheads allocated by APA to these projects represents the overheads recorded in APA’s Oracle finance system at the time expenditure was incurred. Overheads are allocated by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA’s overheads include an allocation of the NMF paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, all of the NMF is reported as operating expenditure.</p>			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Related Party margin expenditure	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA's margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Capital Contributions	AGN Limited received no Capital contributions in relation to Meter Replacement Capex.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

E4.1.2 – Meter Refurbishment

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited’s cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited’s policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	AGN Limited does not incur internal labour expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure below.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Direct Contractor expenditure	<p>Given all network capex is performed by APA under the OMA, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>Capex reported in this category relates to meters that were operating within the AGN (SA) network</p>			

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>which were temporarily taken out of operation and that were able to be restored to full function through a process of being refurbished. Costs reported include installation and other meter replacement costs because there is no data available with which to separate those costs. Costs reported in this table excludes the cost of New Meters which are reported in their own category above.</p> <p>Refer to Basis of Preparation explanation above against New Meters Acquired. Expenditure has been totalled for New Meters Acquired and Meter Refurbishment and allocated based on the proportion of new and refurbished meters each year.</p>			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Other Internal direct expenditure	AGN Limited does not incur Other Internal direct expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by under the OMA.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Accordingly this expenditure is reported as Direct Contractor expenditure above.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure</p> <p>Network overheads allocated by APA to these projects represents the overheads recorded in APA's Oracle finance system at the time expenditure was incurred. Overheads are allocated by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA's overheads include an allocation of the NMF paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	purposes, all of the NMF is reported as operating expenditure.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Related Party margin expenditure	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA's margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Capital Contributions	AGN Limited received no Capital contributions in relation to Meter Replacement Capex.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

E4.1.3 – Meter Installation

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Direct Internal labour expenditure	The costs of installing meters is not separately identified within AGN Limited and APA’s business systems. Installation costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial and Commercial		Actual		
- Other		Actual		
Direct Contractor expenditure	The costs of installing meters is not separately identified within AGN Limited and APA’s business systems. Installation costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Other Internal direct expenditure	The costs of installing meters is not separately identified within AGN Limited and APA’s business systems. Installation costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial and Commercial		Actual		
- Other		Actual		
Total Overhead expenditure	The costs of installing meters is not separately identified within AGN Limited and APA’s business systems. Installation costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Related Party margin expenditure	The costs of installing meters is not separately identified within AGN Limited and APA’s business systems. Installation costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial and Commercial		Actual		
- Other		Actual		
Capital Contributions	The costs of installing meters is not separately identified within AGN Limited and APA's business systems. Installation costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

E4.1.4 – Other Meter Replacement Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Direct Internal labour expenditure	Other meter replacement costs are not separately identified within AGN Limited and APA’s business systems, these costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Direct Contractor expenditure	Other meter replacement costs are not separately identified within AGN Limited and APA’s business systems, these costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Other Internal direct expenditure	Other meter replacement costs are not separately identified within AGN Limited and APA’s business systems, these costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Total Overhead expenditure	Other meter replacement costs are not separately identified within AGN Limited and APA’s business systems, these costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Related Party margin expenditure	Other meter replacement costs are not separately identified within AGN Limited and APA’s business systems, these costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		
Capital Contributions	Other meter replacement costs are not separately identified within AGN Limited and APA’s business systems, these costs have been included in the costs reported above for new and refurbished meters; hence there is no information available to report in this table.			
- Residential		Actual		
- Industrial and Commercial		Actual		
- Other		Actual		

E4.2 – Volumes

E4.2.1 – Number of New Meters Acquired

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Residential (#of new meters acquired)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2545 Meter – Change – Domestic • 2745 Meter – Change – I&C < 10TJ • 2845 Meter – Change – I&C > 10TJ <p>Volumes of New Meters Acquired and Meter Refurbishment has been totalled and then allocated between each category and each customer type based on the proportion of new and refurbished meters in each year for each customer type.</p>	Actual		
Industrial and commercial (#of new meters acquired)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> 2545 Meter – Change – Domestic 2745 Meter – Change – I&C < 10TJ 2845 Meter – Change – I&C > 10TJ <p>Volumes of New Meters Acquired and Meter Refurbishment has been totalled and then allocated between each category and each customer type based on the proportion of new and refurbished meters in each year for each customer type.</p>			
Other (#of new meters acquired)	There are no volumes to report for this category of new meters acquired.	Actual		

E4.2.2 – Number of Meters Refurbished

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Residential (# of refurbishable meters removed)	Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2545 Meter – Change – Domestic • 2745 Meter – Change – I&C < 10TJ • 2845 Meter – Change – I&C > 10TJ <p>Volumes of New Meters Acquired and Meter Refurbishment has been totalled and then allocated between each category and each customer type based on the proportion of new and refurbished meters in each year for each customer type.</p>			
<p>Industrial and commercial (# of refurbishable meters removed)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2545 Meter – Change – Domestic • 2745 Meter – Change – I&C < 10TJ • 2845 Meter – Change – I&C > 10TJ <p>Volumes of New Meters Acquired and Meter Refurbishment has been totalled and then allocated between each category and each customer type based on the proportion of new and refurbished meters in each year for each customer type.</p>	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Other (# of refurbishable meters removed)	There are no volumes to report for this category of meters refurbished.	Actual		
Residential (# of meters decommissioned)	Residential Meters Decommissioned are assumed to be equal to the number of New Meters as above.	Estimated	<p>Data on the number of residential meters decommissioned is not individually captured in AGN Limited or APA's systems. Therefore an assumption needed to be made for this section of the RIN template.</p> <p>AGN Limited believes these estimates have been arrived on a reasonable basis and is the best estimate possible in the circumstance.</p>	
Industrial and commercial (# of meters decommissioned)	Industrial and Commercial Meters Decommissioned are assumed to be equal to the number of New Meters as above.	Estimated	<p>Data on the number of industrial and commercial meters decommissioned is not individually captured in AGN Limited or APA's systems. Therefore an assumption needed to be made for this section of the RIN template.</p> <p>AGN Limited believes these estimates have been arrived</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
			on a reasonable basis and is the best estimate possible in the circumstance.	
Other (# of meters decommissioned)	There are no volumes to report for Other meters decommissioned.	Actual		

E4.2.3 – Number of Meters Installed

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Residential (# of meters installed)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2545 Meter – Change – Domestic • 2745 Meter – Change – I&C < 10TJ • 2845 Meter – Change – I&C > 10TJ <p>Volumes of New Meters Acquired and Meter Refurbishment has been totalled and then allocated between each category and each customer type</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>based on the proportion of new and refurbished meters in each year for each customer type.</p> <p>Number of Meters installed is assumed to be the total number of Residential Meters Changed Out.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>			
<p>Industrial and commercial (# of meters installed)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2545 Meter – Change – Domestic • 2745 Meter – Change – I&C < 10TJ • 2845 Meter – Change – I&C > 10TJ <p>Volumes of New Meters Acquired and Meter Refurbishment has been totalled and then allocated between each category and each customer type based on the proportion of new and refurbished meters in each year for each customer type.</p> <p>Number of Meters installed is assumed to be the total number of Commercial & Industrial Meters Changed Out.</p>	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.			
Other (# of meters installed)	There are no volumes to report for Other meters decommissioned.	Actual		

E4.2.4 – Number of Meters Removed/Decommissioned

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Residential (# of meters)	Residential Meters Decommissioned are assumed to be equal to the number of New Meters as above.	Estimate		
Industrial and commercial (# of meters)	Industrial and Commercial Meters Decommissioned are assumed to be equal to the number of New Meters as above.	Estimate		
Other (# of meters)	There are no volumes to report for Other meters removed/decommissioned.	Actual		

E4.2.5 – Other Meter Replacement Volume

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Residential (# of meters)	AGN Limited and its contractor APA’s business systems are not configured to capture “Other Meter Replacement” activities, hence there is no information available to report in this table.	Actual		
Industrial and commercial (# of meters)	AGN Limited and its contractor APA’s business systems are not configured to capture “Other Meter Replacement” activities, hence there is no information available to report in this table.	Actual		
Other (# of meters)	AGN Limited and its contractor APA’s business systems are not configured to capture “Other Meter Replacement” activities, hence there is no information available to report in this table.	Actual		

E5. New Connections

E5.1 - Expenditure

E5.1.1 – Capex – by Connection Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited's policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	AGN Limited does not incur internal labour expenditure in relation to delivery of its Capex program. Delivery of AGN Limited's Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure below.			
- Electricity to gas		Actual		
- New homes		Actual		
- New medium density/high rise		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Industrial & commercial tariff		Actual		
- Industrial & commercial contract		Actual		
Direct Contractor expenditure	<p>Given all network capex is performed by APA under the OMA, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>Capex reported as New Connections relates to expenditure on connections established or to be established, in accordance with Part 12A of the NGR and applicable energy laws, where there is no existing connection. Connection means a physical link between the gas distribution network and a retail customer's premises to allow the flow of natural gas.</p> <p>Any activities that relate to extending the network to connect a new customer, has been treated as Connections and not as Augmentation.</p> <p>Augmentation expenditure has been identified as activities related to increasing the size or capacity of the pipeline.</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Supply Mains projects have been treated as Connections expenditure because they are not increasing the size or capacity of the pipeline upstream of the new connection.</p> <p>Capex reported for New Connections has been identified with reference to the expenditure captured in APA’s Oracle finance system against the following activity names:</p> <ul style="list-style-type: none"> • 2705 Design – I&C Mains Extn < 10TJ • 2725 Meter – Fabrication < 10TJ • 2535 Meter – Growth – Domestic • 2735 Meter – Growth – I&C < 10TJ • 2635 Meter – Growth – Multiuser • 2730 Meter – Installation < 10TJ • 2511 New Main – Estate • 2510 New Main – Existing Domestic • 2710 New Main – I&C < 10TJ • 2516 New Service – Exist Home • 2715 New Service – I&C < 10TJ • 2615 New Service – Multiuser • 2515 New Service – New Home • 2825 Meter – Fabrication > 10TJ • 2835 Meter – Growth – I&C > 10TJ • 2830 Meter – Installation > 10TJ • 2810 New Main – I&C > 10TJ • 2815 New Services – I&C > 10TJ 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>In addition to the following projects categorised internally as Supply Mains projects:</p> <ul style="list-style-type: none"> • 2988 Major Projects – Buckland Park • 2993 Major Projects – Gawler • 3001 Major Projects – Tanunda • 3026 Major Projects – Tanunda Retic • 3028 Major Projects – McLaren Vale • 3050 Major Projects – McLaren Vale Retic • 3054 Major Projects – Two Wells <p>And the following “Growth Infill” projects:</p> <ul style="list-style-type: none"> • 3059 Major Projects – Accenture Growth • 3066 Major Projects – Accenture Growth – Gawler East • 3067 Major Projects – Accenture Growth – Gawler South • 3068 Major Projects – Accenture Growth – Aldinga Retic • 3070 Major Projects – Accenture Growth – Two Wells Area A • 3071 Major Projects – Accenture Growth – Two Wells B • 3072 Major Projects – Accenture Growth – Elizabeth Downs • 3074 Major Projects – Accenture Growth – Seaford Meadows • 3075 Major Projects – Accenture Growth – Cockshell Dr Gawler East 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • 3076 Major Projects – Accenture Growth – Swallow Dr Mount Gambier • 3081 Major Projects – Accenture Growth – Bella St Gawler East • 3083 Major Projects – Accenture Growth – Hillsdale Ave Coromandel Valley • 3084 Major Projects – Accenture Growth – Coppleridge Dr Elizabeth Downs • 3087 Major Projects – Accenture Growth – Docket Rd Elizabeth Downs • 3089 Major Projects – Accenture Growth – Justinian St Elizabeth Downs • 3091 Major Projects – Accenture Growth – Angle Vale Retic <p>Expenditure has also been categorised as relating to the following sub-categories for the purpose of determining unit rates as required in Table E5.2.1 below:</p> <ul style="list-style-type: none"> • Distribution Mains • Inlet Service Pipes • Meters <p>Note: There is no Distribution Mains expenditure reported under the connection type iii) New Medium Density / High Rise, as this forms part of Existing Mains. This expenditure is reported as relating to New Homes but we note that in some cases the trunk main may support some Industrial</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>& Commercial customers (e.g. a local shopping centre) and not always be 100% for New Homes.</p> <p>Refer to Appendix D for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types:</p> <ul style="list-style-type: none"> • "Marketing Rebates" for expenditure treated as Opex <p>Expenditure for projects in this category against each of above activity/project names has been allocated to the connection types shown in the RIN template as follows:</p>			
<p>- Electricity to gas</p>	<ul style="list-style-type: none"> • 2535 Meter – Growth – Domestic • 2510 New Main – Existing Domestic • 2516 New Service – Exist Home <p>And the following "Growth Infill" major projects:</p> <ul style="list-style-type: none"> • 3059 Major Projects – Accenture Growth • 3066 Major Projects – Accenture Growth – Gawler East • 3067 Major Projects – Accenture Growth – Gawler South • 3068 Major Projects – Accenture Growth – Aldinga Retic • 3070 Major Projects – Accenture Growth – Two Wells Area A 	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • 3071 Major Projects – Accenture Growth – Two Wells B • 3072 Major Projects – Accenture Growth – Elizabeth Downs • 3074 Major Projects – Accenture Growth – Seaford Meadows • 3075 Major Projects – Accenture Growth – Cockshell Dr Gawler East • 3076 Major Projects – Accenture Growth – Swallow Dr Mount Gambier • 3081 Major Projects – Accenture Growth – Bella St Gawler East • 3083 Major Projects – Accenture Growth – Hillsdale Ave Coromandel Valley • 3084 Major Projects – Accenture Growth – Coppleridge Dr Elizabeth Downs • 3087 Major Projects – Accenture Growth – Docket Rd Elizabeth Downs • 3089 Major Projects – Accenture Growth – Justinian St Elizabeth Downs • 3091 Major Projects – Accenture Growth – Angle Vale Retic <p>The data captured by AGN Limited and its contractor APA against the activity "2535 Meter – Growth – Domestic" listed above does not of itself enable the identification of the relevant Connection type for reporting in this RIN table.</p> <p>Therefore, in order to determine the volume and cost of Connections by Connection type for this</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>specific activity code, as required in the RIN table, it has been necessary to reference data recorded against other activity codes that are considered to very closely relate to this activity and Connection type.</p> <p>For this activity code (2535 Meter – Growth – Domestic) the expenditure specifically related to the “Electricity to gas” Connection type has been identified with reference to the volume of Inlet service pipes allocated to the activity “2516 New Service – Existing Home”.</p> <p>The volume of Inlet service pipes recorded against this activity is assumed to represent the equivalent volume of Meters relating to Connection type “Electricity to gas”.</p> <p>This derived volume of Meters estimated to relate to “Electricity to gas” has then been multiplied by the average unit cost for all Meters recorded against activity “2535 Meter – Growth – Domestic”, to arrive at the estimated cost of Meters for connection type “Electricity to gas”.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be Actual information.</p>			
<p>- New homes</p>	<ul style="list-style-type: none"> • 2511 New Main – Estate • 2515 New Service – New Home 	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • 2535 Meter – Growth - Domestic <p>And the following "Supply Mains" major projects:</p> <ul style="list-style-type: none"> • 2988 Major Projects – Buckland Park • 2993 Major Projects – Gawler • 3001 Major Projects – Tanunda • 3026 Major Projects – Tanunda Retic • 3038 Major Projects – Seaford Stage 2 • 3050 Major Projects – McLaren Vale Retic • 3054 Major Projects – Two Wells <p>As stated above, the data captured by AGN Limited and its contractor APA against the activity "2535 Meter – Growth – Domestic" listed above does not of itself enable the identification of the relevant Connection type for reporting in this RIN table.</p> <p>For this activity code (2535 Meter – Growth – Domestic) the expenditure specifically related to the "New homes" Connection type has been identified with reference to the volume of Inlet service pipes allocated to the activity "2515 New Service – New Home".</p> <p>The volume of Inlet service pipes recorded against this activity is assumed to represent the equivalent volume of Meters related to the Connection type "New homes".</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>This derived volume of Meters estimated to relate to "New homes" has then been multiplied by the average unit cost for all Meters recorded against activity "2535 Meter – Growth – Domestic", to arrive at the estimated cost for connection type "New homes".</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be Actual information.</p>			
<p>- New medium density/high rise</p>	<ul style="list-style-type: none"> • 2635 Meter – Growth – Multiuser • 2615 New Service – Multiuser • 2535 Meter – Growth - Domestic <p>As stated above, the data captured by AGN Limited and its contractor APA against the activity "2535 Meter – Growth – Domestic" listed above does not of itself enable the identification of the relevant Connection type for reporting in this RIN table.</p> <p>For activity "2535 Meter – Growth – Domestic" the expenditure specifically related to "New medium density/high rise" has been identified by taking the total expenditure against this activity and deducting the amounts separately identified above that are reported as being for "Electricity to gas" and "New homes".</p>	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be Actual information.</p>			
<p>- Industrial & commercial tariff</p>	<ul style="list-style-type: none"> • 2705 Design – I&C Mains Extn < 10TJ • 2725 Meter – Fabrication < 10TJ • 2735 Meter – Growth – I&C <10TJ • 2730 Meter – Installation < 10TJ • 2710 New Main – I&C < 10TJ • 2715 New Service – I&C < 10TJ 	<p>Actual</p>		
<p>- Industrial & commercial contract</p>	<ul style="list-style-type: none"> • 2825 Meter – Fabrication > 10TJ • 2835 Meter – Growth – I&C > 10TJ • 2830 Meter – Installation > 10TJ • 2810 New Main – I&C > 10TJ • 2815 New Service – I&C > 10TJ 	<p>Actual</p>		
<p>Other Internal direct expenditure</p>	<p>AGN Limited does not incur Other Internal direct expenditure in relation to delivery of its Capex program. Delivery of AGN Limited’s Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure above.</p>			
<p>- Electricity to gas</p>		<p>Actual</p>		
<p>- New homes</p>		<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- New medium density/high rise		Actual		
- Industrial & commercial tariff		Actual		
- Industrial & commercial contract		Actual		
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure.</p> <p>Network overheads allocated by APA to these projects represents the overheads recorded in APA's Oracle finance system at the time expenditure was incurred. Overheads are allocated by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA's overheads include an allocation of the NMF paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, all of the NMF is reported as operating expenditure.</p>			

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Electricity to gas		Actual		
- New homes		Actual		
- New medium density/high rise		Actual		
- Industrial & commercial tariff		Actual		
- Industrial & commercial contract		Actual		
Related Party margin expenditure	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA's margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>			
- Electricity to gas		Actual		
- New homes		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- New medium density/high rise		Actual		
- Industrial & commercial tariff		Actual		
- Industrial & commercial contract		Actual		
Capital Contributions				
- Electricity to gas		Actual		
- New homes	The amount of Capital contributions reported for New Homes (domestic customers) has been derived from invoiced revenue. This revenue mostly funds the economic shortfall for Mains.	Actual		
- New medium density/high rise		Actual		
- Industrial & commercial tariff		Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
<p>- Industrial & commercial contract</p>	<p>The amount of Capital Contributions reported for Industrial & Commercial Contract customers, is derived from the amounts of related capex incurred, as reported by APA in the Capex Data Model (with an adjustment to remove the allocated NMF).</p> <p>The Capex Activities in APA’s Oracle finance system related to this category of Capex and Capital Contributions are:</p> <ul style="list-style-type: none"> • 2810 New Main – I&C > 10TJ (relating to Mains) • 2815 New Service – I&C > 10TJ (relating to Inlets) • 2825 Meter Fabrication > 10TJ (relating to Meters) • 2830 Meter Installation > 10TJ (relating to Meters) • 2835 Meter Growth – I&C > 10TJ (relating to Meters) 	<p>Actual</p>	<p>Capital contributions for works undertaken at customers’ request are typically received up-front or in milestone payments that do not necessarily match the timing of related expenditure incurred by AGN Limited.</p> <p>Accordingly, in order to match Capital contributions received with related Capex incurred, the amounts reported for Capital contributions related to New Connections has been derived from the amounts of Capex incurred on these projects.</p> <p>Rather than deriving these amounts from payments received, this approach is considered by AGN Limited to be a better representation of the Capital contributions relating to the activity undertaken in each year.</p>	

E5.2 - Unit Rates

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited’s cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited’s policies and processes for cost allocation.</i></p>			
Electricity to gas	Unit rates have been determined by dividing the expenditure reported in Table E5.1.1 above, by the volumes reported in Table E5.3.2 below.	Actual		
- Distribution mains (per meter per connection)				
- Inlet services pipes (per service per connection)				

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Meters (number per connection)				
New homes	Unit rates have been determined by dividing the expenditure reported in Table E5.1.1 above, by the volumes reported in Table E5.3.2 below.	Actual		
- Distribution mains (per meter per connection)				
- Inlet services pipes (per service per connection)				
- Meters (number per connection)				
New medium density / high rise	Unit rates have been determined by dividing the expenditure reported in Table E5.1.1 above, by the volumes reported in Table E5.3.2 below.	Actual		
- Distribution mains (per meter per connection)	There is no unit rates reported for Distribution Mains expenditure under the connection type C. New Medium Density / High Rise, as this forms part of Existing Mains as noted above in the expenditure table.			

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Inlet services pipes (per service per connection)				
- Meters (number per connection)				
Industrial & Commercial Tariff	Unit rates have been determined by dividing the expenditure reported in Table E5.1.1 above, by the volumes reported in Table E5.3.2 below.	Actual		
- Distribution mains (per meter per connection)				
- Inlet services pipes (per service per connection)				
- Meters (number per connection)				
Industrial & Commercial Contract	Unit rates have been determined by dividing the expenditure reported in Table E5.1.1 above, by the volumes reported in Table E5.3.2 below.	Actual		Unit rates are not applicable for the connection type E.

Attachment 2

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
				<p>Industrial & Commercial Contract due to the low volumes and high degree of variability in the scope and complexity of the work. The scope of work is dependent on the technical requirements of each Industrial & Commercial Contract and therefore these connections are designed, costed and installed on a case by case basis.</p>
<ul style="list-style-type: none"> - Distribution mains (per meter per connection) 				
<ul style="list-style-type: none"> - Inlet services pipes (per service per connection) 				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Meters (number per connection)				

E5.3 – Volumes

E5.3.1 – Number of new connections

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Electricity to gas (# of new connections)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2516 New Service – Exist Home <p>It is assumed that there is a 1:1 relationship with 2535 Meter – Growth – Domestic.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
New homes (# of new connections)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2515 New Service – New Home <p>It is assumed that there is a 1:1 relationship with 2535 Meter – Growth – Domestic.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>	Actual		
New medium density / high rise (# of new connections)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2615 New Service – Multiuser <p>It is assumed that there is a 1:1 relationship with 2535 Meter – Growth – Domestic to New Home and E to G services and that the residual are Medium Density connections.</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information</p>			
<p>Industrial & Commercial Tariff (# of new connections)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2735 Meter – Growth – I&C < 10TJ <p>It is assumed that there is a 1:1 relationship with 2735 Meter – Growth – I&C < 10TJ.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>	<p>Actual</p>		
<p>Industrial & Commercial Contract (# of new connections)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <ul style="list-style-type: none"> • 2815 New Services – I&C > 10TJ 	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>It is assumed that there is a 1:1 relationship with 2835 Meter – Growth – I&C > 10TJ.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>			

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Electricity to gas				
- Distribution mains (metre per connection)	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2510 New Main – Existing Domestic / 2516 New Service – Exist Home</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
<ul style="list-style-type: none"> - Inlet services pipes (service per connection) 	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2516 New Service – Exist Home : 2535 Meter – Growth – Domestic</p> <p>1:1 Relationship Assumed.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>	Actual		
<ul style="list-style-type: none"> - Meters (# per connection) 	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2516 New Service – Exist Home : 2535 Meter – Growth – Domestic</p> <p>1:1 Relationship Assumed.</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>			
New homes				
<ul style="list-style-type: none"> - Distribution mains (metre per connection) 	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2511 New Main – Estate / 2515 New Service – New Home</p>	Actual		
<ul style="list-style-type: none"> - Inlet services pipes (service per connection) 	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2515 New Service – New Home: 2535 Meter – Growth – Domestic</p> <p>1:1 Relationship Assumed.</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>			
<ul style="list-style-type: none"> - Meters (# per connection) 	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2515 New Service – New Home: 2535 Meter – Growth – Domestic</p> <p>1:1 Relationship Assumed.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>	<p>Actual</p>		
<p>New medium density / high rise</p>				
<ul style="list-style-type: none"> - Distribution mains (metre per connection) 	<p>Not Accounted for separately. Included as part of Existing Mains.</p>	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
- Inlet services pipes (service per connection)		Actual		
- Meters (# per connection)		Actual		
Industrial & Commercial Tariff				
- Distribution mains (metre per connection)	Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names: 2710 New Main – I&C < 10TJ/ 2715 New Service – I&C < 10TJ	Actual		
- Inlet services pipes (service per connection)	Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names: 2715 New Service – I&C < 10TJ: 2735 Meter – Growth – I&C < 10TJ 1:1 Relationship Assumed.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>			
<ul style="list-style-type: none"> - Meters (# per connection) 	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2715 New Service – I&C < 10TJ: 2735 Meter – Growth – I&C < 10TJ</p> <p>1:1 Relationship Assumed.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>	<p>Actual</p>		
<p>Industrial & Commercial Contract</p>				
<ul style="list-style-type: none"> - Distribution mains (meter per connection) 	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset</p>	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2810 New Main – I&C > 10TJ/ 2815 New Services – I&C > 10TJ</p>			
<p>- Inlet services pipes (service per connection)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p> <p>2815 New Services – I&C > 10TJ: 2835 Meter – Growth – I&C > 10TJ</p> <p>1:1 Relationship Assumed</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>	<p>Actual</p>		
<p>- Meters (# per connection)</p>	<p>Data Source (refer CAM Section 6.1) – sourced from APA business management systems, including its Oracle General Ledger, which is integrated with an Oracle Projects Ledger and a separate Asset Management System (Maximo) which allocates Volumes against the following activity names:</p>	<p>Actual</p>		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>2815 New Services – I&C > 10TJ: 2835 Meter – Growth – I&C > 10TJ</p> <p>1:1 Relationship Assumed.</p> <p>AGN Limited is confident that the volumes are derived from a reasonable basis and therefore consider this to be actual information.</p>			

E5.4 – Capital Contributions

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Electricity to gas	AGN Limited received no Capital Contributions in relation to the Electricity to gas connection type.	Actual		
New homes	The amount of Capital Contributions reported for New Homes (domestic customers) has been derived from invoiced revenue. This revenue mostly funds the economic shortfall for Inlets. The	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	calculation of this revenue includes allowance for a 20% margin.			
New medium density / high rise	AGN Limited received no Capital Contributions in relation to the New medium density / high rise connection type.	Actual		
Industrial & Commercial Tariff	AGN Limited received no Capital Contributions in relation to the Industrial & Commercial Tariff connection type.	Actual		
Industrial & Commercial Contract	<p>The amount of Capital Contributions reported for Industrial & Commercial Contract customers, is derived from the amounts of related capex incurred, as reported by APA in the Capex Data Model (with an adjustment to remove the allocated NMF).</p> <p>The Capex Activities in APA's Oracle finance system related to this category of Capex and Capital Contributions are:</p> <ul style="list-style-type: none"> • 2810 New Main – I&C > 10TJ (relating to Mains) • 2815 New Service – I&C > 10TJ (relating to Inlets) 	Actual	<p>Capital contributions for works undertaken at customers' request are typically received up-front or in milestone payments that do not necessarily match the timing of related expenditure incurred by AGN Limited.</p> <p>Accordingly, in order to match Capital contributions received with related Capex incurred, the amounts reported for Capital contributions related to New Connections has been</p>	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> 2825 Meter Fabrication > 10TJ (relating to Meters) 2830 Meter Installation > 10TJ (relating to Meters) 2835 Meter Growth – I&C > 10TJ (relating to Meters) 		<p>derived from the amounts of Capex incurred on these projects.</p> <p>Rather than deriving these amounts from payments received, this approach is considered by AGN Limited to be a better representation of the Capital contributions relating to the activity undertaken in each year.</p>	

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Electricity to gas	AGN Limited received no Capital Contributions in relation to the Electricity to gas connection type.	Actual		
New homes	The number of Capital contributions received for New homes has been estimated with reference to the number of invoices that are recorded in AGN Limited’s accounts receivable ledger, against the Customer contributions revenue account code.	Estimated	AGN Limited and its capital delivery contractor APA does not capture data related to Capital contributions for New homes to a level of detail	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
			<p>which provides a precise record of the individual contributions received for each new home.</p> <p>It is AGN Limited's assumption that one invoice for Capital contributions represents one Capital contribution.</p>	
New medium density / high rise	AGN Limited received no Capital Contributions in relation to the New medium density / high rise connection type.	Actual		
Industrial & Commercial Tariff	AGN Limited received no Capital Contributions in relation to the Industrial & Commercial Tariff connection type.	Actual		
Industrial & Commercial Contract	The number of Capital contributions received for Industrial & Commercial Contract customers has been estimated with reference to counting the number of projects recorded against the relevant activity codes which map to Industrial & Commercial Contract Connections Capex.	Estimated	The business systems utilised by AGN Limited and its capital delivery contractor APA, does not capture the number of Capital contributions received.	

E6. Non-Network

E6.5 – Telemetry

E6.5.1 – Capex – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited's policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	AGN Limited does not incur internal labour expenditure in relation to delivery of its Non-Network Telemetry Capex. Delivery of AGN Limited's Telemetry Capex is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure below.	Actual		
Direct Contractor expenditure	<p>Given all Telemetry capex is performed by APA under the OMA, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>Telemetry projects includes capital expenditure incurred in the replacement of SCADA (Supervisory control and data acquisition) equipment operating in the network due to the condition of the assets.</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>Expenditure reported for Telemetry Capex projects has been identified with reference to the expenditure captured in APA's Oracle finance system against the following activity name:</p> <ul style="list-style-type: none"> • 2175 Telemetry – System – Capital Works <p>As there were no Telemetry Capex projects with expenditure greater than \$500k per annum for the years being reported in the RIN template, all expenditure is reported against the single line for 'Aggregate of projects with expenditure of less than \$500,000'.</p>			
Other Internal direct expenditure	<p>AGN Limited does not incur Other Internal direct expenditure in relation to delivery of its Capex program. Delivery of AGN Limited's Capex program is performed by APA under the OMA. Accordingly this expenditure is reported as Direct Contractor expenditure above.</p>	Actual		
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure.</p> <p>Network overheads allocated by APA to these projects represents the overheads recorded in APA's Oracle finance system at the time expenditure was incurred. Overheads are allocated</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA's overheads include an allocation of the NMF paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, all of the NMF is reported as operating expenditure.</p>			
<p>Related Party margin expenditure</p>	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA's margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>	<p>Actual</p>		
<p>Capital Contributions</p>	<p>AGN Limited has received no Capital Contributions in relation to expenditure reported as Telemetry capex.</p>	<p>Actual</p>		

E10. Overheads

E10.1- Network

E10.1.1 – Opex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Reference Services	AGN Limited receives charges for Opex related activities from its principle contractor APA, in total (i.e. not separated between direct costs and overheads). This expenditure is all reported to the AER as Repairs and Maintenance. Therefore there is nil overheads to report in this RIN table.	Actual		
Non-reference Services	AGN Limited receives charges for Opex related activities (including Non-reference Services) from its principle contractor APA, in total (i.e. not separated between direct costs and overheads). This expenditure is all reported to the AER as Repairs and Maintenance. Therefore there is nil overheads to report in this RIN table.	Actual		

E10.1.2 – Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<i>Refer to Appendix B for a description of the systems and processes that support AGN Limited's cost capture and reporting of Overheads expenditure as presented below.</i>			
Reference Services	<p>The Network Overheads reported as Capex in this table is the sum of the capitalised overheads reported in each of the Capex categories listed above.</p> <p>An adjustment was made in 2015-16 to reverse a \$2.2m prior period accrual against Network Overheads – Capex. The \$2.2m adjustment impacted each of the Overhead expenditure tables from E2 to E13.</p>	Actual		
Non-reference Services	AGN (SA) has no Capex to report for Non-reference Services as all of its capital activities relate to Reference Services.	Actual		

E10.2 – Corporate

E10.2.1- Opex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Reference Services	AGN Limited does not allocate or account for its internal costs as overheads. This expenditure is	Null		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	reported to the AER as Other Opex and Debt Raising Costs (where applicable). Therefore a Null response is provided to this RIN table.			
Non-reference Services	AGN Limited does not allocate or account for its internal costs as overheads. This expenditure is reported to the AER as Other Opex and Debt Raising Costs (where applicable). Therefore a Null response is provided to this RIN table.	Null		

E10.2.2 – Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Reference Services	As per AGN Limited’s Capitalisation Policy, its internal costs are not capitalised.	Actual		
Non-reference Services	As per AGN Limited’s Capitalisation Policy, its internal costs are not capitalised.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Further, AGN Limited does not have any Capex activities that relate to Non-reference Services. All of AGN Limited’s Capex activities for the AGN (SA) pipeline relate to Reference Services.			

E12. Information and Communication Technology

E12.1 – Capex – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited’s cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited’s policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	AGN Limited does not incur internal labour expenditure in relation to delivery of its ICT Capex. Delivery of AGN Limited’s ICT Capex is mostly performed by APA under the OMA. Other ICT Capex incurred by AGN Limited is procured from external contractors. Accordingly this expenditure is reported as Direct Contractor expenditure below.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Direct Contractor expenditure	<p>Given most network capex is performed by APA under the OMA or otherwise outsourced to other external contractors, direct capex is all categorised as Direct Contractor Expenditure.</p> <p>ICT expenditure includes capital expenditure associated with ICT assets (e.g. physical hardware and software and the associated development and implementation costs that are capitalised in accordance with relevant accounting standards and policies).</p> <p>Expenditure reported for ICT capex projects has been identified with reference to specific project names in APA’s Oracle finance system that are known to be ICT projects. Projects with expenditure greater than \$500k per annum have been reported separately, with all other projects in this category grouped.</p> <p>The projects reported as ICT projects with expenditure greater than \$500k per annum are identified by the following activity names in APA’s Oracle finance system:</p> <ul style="list-style-type: none"> • 3037 Major Projects – EAM • 3198 Major Projects – GIS Consolidation • 3209 Major Projects – SA SCADA NIMDS Upgrade 	Actual		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals.</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<ul style="list-style-type: none"> • 3210 Major Projects – EAM Upgrade • 3229 Major Projects – Applications Renewal – CC&B Upgrade • 3007 Major Projects – Billing Optimisation • 3199 Major Projects – Maximo Licenses • 3202 Major Projects – Mobility Integration <p>3209 Major Projects – SA SCADA NIMDS Upgrade involved an upgrade to ClearSCADA (SCADA software package) in SA which also aligned the configuration of the SCADA software package with that of the other states so future ClearSCADA upgrades could be national upgrades, therefore this was an IT not a telemetry project.</p> <p>Various other ICT projects have also been identified with reference to their project/activity names in APA’s Oracle finance system, with expenditure less than \$500k per annum, expenditure for these projects has been aggregated and reported as a single line in the RIN template.</p> <p>Refer to Appendix D for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types:</p> <ul style="list-style-type: none"> • “Head Office Additions and Other Adjustments” for Other Capex directly incurred by AGN Limited. 			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Other Internal direct expenditure	<p>AGN Limited also has internal ICT capex which is recorded in SAP Business One and posted to a General Ledger account code which enables AGN Limited to identify and extract this expenditure for reporting to the AER. Further, this expenditure is added to AGN Limited’s Fixed Assets Register which is maintained by APA.</p> <p>There were no internal ICT projects with expenditure that exceeded \$500k per annum for the years being reported in the RIN template, therefore this expenditure is reported in the aggregated line of ICT project expenditure.</p>	Actual		
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure.</p> <p>Since the beginning of 2015-16, APA has not allocated Network overheads to ICT capex projects. The capitalised Network overheads reported for 2014-15 were allocated by APA in its Oracle finance system at the time direct expenditure was incurred. Overheads were allocated by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA’s overheads that were capitalised to ICT projects prior to 2015-16 included an allocation of</p>	Actual		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals.</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>the NMF paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, all of the NMF is reported as operating expenditure.</p> <p>The overhead expenses (credit) that are reported in 2015-16 are a reversal of expenditure and overheads from the prior year.</p>			
<p>Related Party margin expenditure</p>	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA's margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>	<p>Actual</p>		
<p>Capital Contributions</p>	<p>AGN Limited has received no Capital Contributions in relation to expenditure reported as ICT Capex.</p>	<p>Actual</p>		

E13. Other Capex

E13.1 – Other Capex – by Project

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19	<p><i>Refer to Appendices A, B and C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex, Overheads and Related Party Margin expenditure as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from capex for regulatory purposes, and in relation to AGN Limited's policies and processes for cost allocation.</i></p>			
Direct Internal labour expenditure	<p>AGN Limited does not incur internal labour expenditure in relation to delivery of its Other Capex. Delivery of AGN Limited's Other Capex is mostly performed by APA under the OMA. Any additional Other Capex incurred by AGN Limited is procured from external contractors. Accordingly this expenditure is reported as Direct Contractor expenditure below.</p>	Actual		
Direct Contractor expenditure	<p>Given most Other capex is performed by APA under the OMA or otherwise outsourced to other external contractors, direct Other Capex is all categorised as Direct Contractor Expenditure.</p> <p>Expenditure reported for Other capex projects has been identified with reference to specific project names in APA's Oracle finance system that are known to be miscellaneous other projects that are</p>	Actual		Note: Negative amounts reported in the RIN template represent reversal of accruals.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>not otherwise relevant to the other RIN template tables. Projects with expenditure greater than \$500k per annum have been reported separately, with all other projects in this category grouped.</p> <p>The projects reported as Other capex projects are identified by the following activity names in APA's Oracle finance system and includes for example Mains Alteration expenditure, Other Regulated Capex and other Non-Reticulation capital.</p> <ul style="list-style-type: none"> • 2106 C P – Corrosion Protection – Capex • 2130 Mains Alteration – Chargeable – Capex • 2131 Mains Alteration – Non Chargeable – Capex • 2139 Network – Regulator Stay In Business • 2142 Network – Regulator Capex • 2152 Network – Stopple Equipment • 2190 Other – Non Retic Capital • 3043 Major Projects – Bowden • 2990 Major Projects – Virginia • 2997 Major Projects - Berri <p>An adjustment was made in 2015-16 to reverse a \$0.9m prior period accrual against project 2997 Major Projects – Berri Water Bath Heater. B</p> <p>In prior reporting to the AER (e.g. historical reporting in the previous AA RIN) "Other capex"</p>			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>included Other Distribution System, Other Non-Distribution System and Regulators & Valves capex.</p> <p>Refer to Appendix D for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types:</p> <ul style="list-style-type: none"> • "Heat Shrinking Sleeves" where certain expenditure is treated as Opex; and • "Head Office Additions and Other Adjustments" for Other Capex directly incurred by AGN Limited 			
Other Internal direct expenditure	<p>AGN Limited also has internal Other capex which is recorded in SAP Business One and posted to a General Ledger account code which enables AGN Limited to identify and extract this expenditure for reporting to the AER. Further, this expenditure is added to AGN Limited's Fixed Assets Register which is maintained by APA.</p> <p>There were no Other capex projects with expenditure that exceeded \$500k per annum for the years being reported in the RIN template, therefore this expenditure is reported in the aggregated line of Other capex expenditure.</p>	Actual		<p>Note: Negative amounts reported in the RIN template represent reversal of accruals.</p>

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Total Overhead expenditure	<p>Refer to Appendix B for an explanation of relevant processes and methodologies that apply to Overhead expenditure.</p> <p>Network overheads allocated by APA to these projects represents the overheads recorded in APA’s Oracle finance system at the time expenditure was incurred. Overheads are allocated by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA’s overheads include an allocation of the NMF paid by AGN Limited, which for statutory accounting purposes remains in capitalised overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, all of the NMF is reported as operating expenditure.</p>	Actual		Note: Negative amounts reported in the RIN template represent reversal of accruals.
Related Party margin expenditure	<p>Refer to Appendix C for an explanation of Related Parties and Related Party margin expenditure.</p> <p>In accordance with regulatory accounting policies, AGN Limited does not capitalise the NMF paid to APA (which represents APA’s margin). Therefore there is no Related Party Margin expenditure reported in the RIN template.</p>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Capital Contributions	<p>The amount of Capital contributions reported for Other Capex is derived from the amounts of related capex incurred, as reported by APA in the Capex Data Model (with an adjustment to remove the allocated NMF).</p> <p>The Capex Activity in APA’s Oracle finance system related to this category of Capex is:</p> <ul style="list-style-type: none"> • 2130 – Mains Alteration – Chargeable – Capex <p>These Capital contributions relate to funded mains alteration projects. The nature of these projects is to undertake work at customers’ request which they fund, for example to relocate assets due to major infrastructure projects.</p>	Actual	<p>Capital contributions for works undertaken at customers’ request are typically received up-front or in milestone payments that do not necessarily match the timing of related expenditure incurred by AGN Limited.</p> <p>Accordingly, in order to match Capital contributions received with related Capex incurred, the amounts reported for Capital contributions related to Other Capex has been derived from the amounts of Capex incurred on these projects.</p> <p>Rather than deriving these amounts from payments received, this approach is considered by AGN Limited to be a better representation of the Capital contributions relating to the activity undertaken in each year.</p>	

N2. Network Characteristics

N2.5 – Network Length – by Postcode

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2014/15 – 2018/19				
Historical network length by Post Code	<p>Data is sourced from historic snapshots extracted from GIS. Historic snapshots are taken at calendar year and financial year-end dates.</p> <p>Snapshots are a capture of what is recorded in the GIS system at a point in time – which means if a piece of main is installed in the field on 20 December, but the GIS record updated on 5 Jan, the update will only show within the next snapshot.</p> <p>All Existing and In Service Pipes only. Abandoned pipe or casing is not included.</p> <p>Snapshot data is aggregated by Post Code. A selection criteria based on the mains segment centroid (mid-point) residing within the postcode.</p>	Estimate	<p>Snapshot timing may mean that pending GIS updates may not be included within the snapshot.</p> <p>Results may not be 100% accurate when aggregating by post code due to mains that straddle post code boundaries. However due to the low proportion of segments that straddle postcodes it is reasonable that accuracy would be still high.</p>	

Efficiency Carryover Mechanism

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

7.5.1.1 – Opex Allowance applicable to ECM

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Total opex allowance	2014/15 (\$June 2011) Total opex inc DRC and UAFG Total opex inc UAFG - AER approved forecast in \$2010/11 from Australian Gas Networks Final Decision Efficiency Carryover Model – May 2016, DRC from submitted Australian Gas Networks SA Annual RIN 2014-15 Reporting Templates			
	2015/16 (\$June 2011) Total opex inc DRC and UAFG Total opex inc UAFG - AER approved forecast in \$2010/11 from Australian Gas Networks Final Decision Efficiency Carryover Model – May 2016, , DRC from submitted Australian Gas Networks SA Annual RIN 2015-16 Reporting Templates	Estimate	Estimate approved by AER as part of prior GAAR.	
	2016/17-2020/21 (\$June 2016) Total opex allowance including DRC and UAFG. Total opex inc UAFG and DRC from Final PTRM (AGN SA - Final decision Post-tax revenue model - May 2016)			
Debt raising costs	2014/15 (\$June 2011) DRC From submitted Australian Gas Networks SA Annual RIN 2014-15 Reporting Templates	Estimate	Estimate approved by AER as part of prior GAAR.	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>2015/16 (\$June 2011) DRC From submitted Australian Gas Networks SA Annual RIN 2015-16 Reporting Templates</p> <p>2016/17-2020/21 (\$June 2016) DRC from Final PTRM (AGN SA - Final decision Post-tax revenue model - May 2016)</p>			
Insurance	Included in A&G, not excluded because estimated using single year revealed cost approach as per As per (h) i a. of AAI.	Estimate	Estimate approved by AER as part of prior GAAR.	
Superannuation costs for defined benefits and retirement schemes	N/A			
Other specific non controllable costs	<p>2014/15 (\$June 2011) UAFG From submitted Australian Gas Networks SA Annual RIN 2014-15 Reporting Templates</p> <p>2015/16 (\$June 2011) UAFG From submitted Australian Gas Networks SA Annual RIN 2015-16 Reporting Templates</p> <p>2016/17-2020/21 (\$June 2016) UAFG from Final Opex model, but rescaled by Final/Proposed total opex ratio</p>	Estimate	Estimate approved by AER as part of prior GAAR.	
Retailer of last resort costs	N/A			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Capitalisation policy changes	N/A – constant regulatory capitalisation policy through AA.			
Change in scope adjustment	N/A			

7.5.1.2 – Actual and Estimated Opex applicable to ECM

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Total opex allowance	<p>2014/15 (\$Nominal) Total opex inc DRC and UAFG Total Opex inc UAFG - from submitted Australian Gas Networks SA Annual RIN 2014-15 Reporting Templates</p>			
	<p>2015/16 (\$Nominal) Total opex inc DRC and UAFG Total Opex inc UAFG- from submitted Australian Gas Networks SA Annual RIN 2015-16 Reporting Templates</p>			
	<p>2016/17-2018/19 (\$Nominal) Total opex allowance including DRC and UAFG. from APA Ring Fenced Accounts and Finance as per Annual RIN submission</p>	Actual (unaudited) 2014/15 to 2018/19 Forecast 2019/20		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	2019/20 (\$Nominal) Total opex allowance including DRC and UAFG From Finance as per Annual RIN submission			
Debt raising costs	2014/15 (\$Nominal) DRC from submitted Australian Gas Networks SA Annual RIN 2014-15 Reporting Templates 2015/16 (\$Nominal) DRC from submitted Australian Gas Networks SA Annual RIN 2015-16 Reporting Templates 2016/17-2018/19 (\$Nominal) DRC from Finance as per Annual RIN submission 2019/20 (\$Nominal) DRC from Finance as per Annual RIN submission	Actual (unaudited) 2014/15 to 2018/19 Forecast 2019/20	Actuals not available from Finance yet	Will be updated in Annual RIN submission
Insurance	Included in A&G, not excluded because estimated using single year revealed cost approach as per As per (h) i a. of AAI.			
Superannuation costs for defined benefits and retirement schemes	N/A			
Other specific non controllable costs	2014/15 (\$Nominal) UAFG from submitted Australian Gas Networks SA Annual RIN 2014-15 Reporting Templates	Actual (unaudited) 2014/15 to 2018/19 Forecast 2019/20		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	<p>2015/16 (\$Nominal) UAFG from submitted Australian Gas Networks SA Annual RIN 2015-16 Reporting Templates</p> <p>2016/17-2018/19 (\$Nominal) UAFG from Finance as per Annual RIN submission</p> <p>2019/20 (\$Nominal) UAFG from Finance as per Annual RIN submission</p>			
Opex associated with approved cost pass through	N/A			
Capitalisation policy changes	N/A – constant regulatory capitalisation policy through AA.			
Movements in provisions related to opex	<p>2014/15-2018/19 (\$Nominal) Movement in provisions from Finance as per Annual RIN submission</p> <p>2019/20 (\$Nominal) Movement in provisions from Finance as per Annual RIN submission</p>		<p>Actual (unaudited) 2014/15 to 2018/19</p> <p>Forecast 2019/20</p>	

Appendix A: Cost Collection and Reporting Process - Capex

The following description of AGN Limited's cost collection process for capital expenditure applies to the information previously reported to the AER (e.g. the 2014-15 and 2015-16 Annual RINs) and to financial information now being reported for the subsequent regulatory years (2016-17 to 2018-19).

Source of financial data

The 2014-15 and 2015-16 Annual RINs were the source of data used to complete the Annual Historical RINs for the regulatory years 2014-15 to 2015-16 along with the additional information now provided by APA in the form of a Capex Data model (refer below). In addition, financial data was sourced from AGN Limited's finance system (SAP Business One) and from other information provided by AGN Limited's principal capital delivery contractor, APA Asset Management (APA). AGN Limited utilises Excel spreadsheets to consolidate detailed financial information provided by APA with information from its own finance system and to undertake cost allocation processes, for the purpose of producing the data required to complete the AER regulatory templates. This information and the associated processes are explained further below.

AGN Limited's capital delivery contractor (APA)

When AGN Limited was known as Envestra Limited (Envestra), the delivery of its distribution network capex program was out-sourced to APA under an operating and management agreement. This arrangement (the 'OMA') commenced on 2 July 2007 and has continued since that time, including through Envestra's change of ownership and rebranding as "Australian Gas Networks" in October 2014.

APA charges AGN Limited for these services on a 'cost pass-through' basis each month, plus the agreed Network Management Fee (NMF). The NMF represents APA's margin under the agreement.

APA's business support and overhead costs are allocated to capital expenditure in accordance with the processes outlined in the AGN Limited Cost Allocation Methodology (CAM) provided with the response to this RIN. For regulatory accounting purposes, AGN Limited does not capitalise any of the NMF paid to APA, in accordance with AGN Limited's Regulatory Accounting Principles and Policies document.

Prior to the current owner of AGN Limited acquiring the business on 29 August 2014, the APA Group of which APA Asset Management is a subsidiary, was a significant shareholder in Envestra, owning 33% of the company, which therefore made APA a related party. Accordingly, payments to APA for the period 1 July to 29 August 2014 under the OMA are recognised as related party transactions.

In addition, the NMF paid to APA for that period has been recognised as related party margin expenditure, noting however that none of the NMF paid to APA is capitalised for regulatory accounting and reporting purposes, as mentioned above. Hence 100% of the NMF is reported as operating expenditure by AGN Limited.

Further information about the cost capture and reporting processes for Related Party Transactions and Related Party Margins is provided in Appendix C of this document.

Source of financial data provided by APA

APA uses an enterprise resource planning system (Oracle) and an asset management system (Maximo) to capture costs which are assigned to master data identifiers including tasks, activities and expense types. In addition, with the use of additional master data identifiers, being project codes and cost centres, APA records its expenditure against specific regulated and unregulated gas pipelines operated by AGN Limited in each state and to relevant regions within each state (also referred to as business zones).

APA provides detailed information about capital expenditure on AGN Limited's regulated and unregulated pipelines directly from Oracle and via its business intelligence (BI) tool 'Cognos'. The output created from this is known as the Ring Fenced Accounts (RFA). The RFA is prepared by APA each half year and reports on all expenditure (operating and capital), including the capitalisation of support and shared business costs, and allocations into each of AGN Limited's regulated and unregulated business zones. The RFAs have been, and continue to be a key source of data for regulatory reporting purposes. Amongst other things, capital expenditure information from the RFAs is used to reconcile to the additions to the fixed assets register for the South Australian network. The RFA was the main source of information when originally preparing the SA Annual RIN's for 2014-15 and 2015-16.

From this year, APA has been able to provide a greater level of detail that underpins the SA regulated capital in Excel spreadsheet format (referred to as the Capex Data Model).

AGN Limited fully reconciles all sources of capital expenditure reporting provided by APA with its own SAP general ledger, separate billing data received from APA and with reporting provided in the AER regulatory templates.

AGN Limited business systems and cost capture

AGN Limited utilises SAP Business One (SAP) to capture costs at the general ledger account code, department and state level where applicable. Given the arrangements with APA, AGN Limited does not operate a full enterprise resource planning (ERP) system. Within SAP, AGN Limited utilises the general ledger and accounts payable module.

Monthly charges invoiced from APA are recorded in AGN Limited's general ledger via journal entries which assign costs to general ledger account codes, departments and state codes. These entries provide control totals against which separate reporting provided by APA, including Monthly Management and Operating Reports, is able to be reconciled.

The detailed view of network capital expenditure delivered by APA is provided via separate reporting outside of AGN Limited's core finance systems, as described above (e.g. the Ring Fenced Accounts, via Cognos BI reporting tools and the Capex Data Model in Microsoft Excel format). This information is used to complete the AER regulatory templates.

Adjustments are made by AGN Limited to the network capital expenditure reported by APA which are recorded in the Excel spreadsheets that form the working papers which support the data reported in the regulatory templates. These adjustments are in accordance with AGN Limited's Regulatory Accounting Principles and Policies document and the Capitalisation Policy.

AGN Limited's internal non-network capital expenditure, primarily relating to corporate ICT systems and office furniture and fittings, is captured in the SAP general ledger by account code, which enables reporting against categories defined in the AER regulatory templates.

AGN Limited does not capitalise any of its general corporate management and administration costs for regulatory accounting purposes, which is in accordance with the Regulatory Accounting Principles and Policies document and the Capitalisation Policy.

Reconciliation of data and information reported to the AER

As already mentioned above, AGN Limited fully reconciles all sources of capital expenditure reporting provided by APA, back to control totals in its own SAP general ledger, additions to the fixed assets register for South Australia and separate invoices received from APA which are entered into the general ledger. Further, all information provided to the AER in the regulatory templates is also reconciled back to AGN Limited's SAP general ledger.

Appendix B: Overhead Expenditure

The following description of AGN Limited's overhead expenditure as it relates to capital expenditure reporting in the regulatory templates, applies to the information previously reported to the AER (e.g. the 2014-15 and 2015-16 Annual RINs) and to financial information now being reported for the subsequent regulatory years (2016-17 to 2018-19).

Background

When AGN Limited was known as Envestra Limited (Envestra), the operation and management of its distribution network, including delivery of its capital program, was out-sourced to APA Asset Management (APA) under a long-term agreement. This agreement (the 'OMA') commenced on 2 July 2007 and has continued in various forms since that time, including through Envestra's change of ownership which led to its re-branding as "Australian Gas Networks" in October 2014. The OMA provides for APA to recover all of its costs in delivering services to AGN Limited including a share of its business support and overheads.

Overheads allocated to capital expenditure

Expenditure by AGN Limited under the above mentioned OMA, includes a proportion of APA's business support and overhead costs which are identified through reporting mechanisms outlined below. A proportion of these overhead costs are capitalised by AGN Limited consistent with the AGN Limited Cost Allocation Methodology (CAM) provided with the response to this RIN.

Other than the overhead costs charged by APA as the principal capital delivery contractor, AGN Limited does not capitalise any of its internal overheads in accordance with AGN Limited's Regulatory Accounting Principles and Policies document and Capitalisation Policy.

The processes applied by APA in capturing, allocating and reporting its relevant overhead costs, is outlined in detail within the AGN Limited CAM and in Appendix A of this Basis of Preparation document.

APA's business systems and associated processes facilitate the allocation of overheads to each of the separate regulated and unregulated gas pipelines owned by AGN Limited. Further, these overheads are also able to be allocated to the various categories and sub-categories of capital expenditure, using functionality and master data identifiers within those business systems.

A key process in allocating APA's overheads is the production of the 'Ring Fenced Accounts' (RFAs) which are explained in Appendix A of this Basis of Preparation document. The RFAs provide the financial data to AGN Limited about APA's relevant overheads that have been allocated across each of the

regulated and unregulated gas pipelines owned by AGN Limited. The RFAs report capital expenditure inclusive of allocated overheads (e.g. embedded within each category of capex) and also report separately the amount of overheads that have been capitalised in each business zone.

There are two levels of overheads charged by APA that is capitalised by AGN Limited. Those being 'state based' overheads and 'national based' overheads. Each level of overheads is identified and captured in separate 'cost pools' for each.

The amount of APA's overheads that is capitalised is initially determined by dividing the total annual budgeted overhead cost pool (relating to capital delivery services provided to AGN Limited) into the total budgeted capital expenditure to be delivered on behalf of AGN Limited.

The portion of APA's overheads to be capitalised is allocated to the various categories and sub-categories of capital expenditure based on the level of spend in each category and applied as a percentage rate. There is a separate rate for each state, based on the level of 'state based' overheads in each state. There is another common rate for applying 'national based' overheads consistently across all states, based on the level of expenditure.

APA utilises suspense accounts to capture all actual overhead costs in its general ledger and the amount of overheads capitalised during the year by applying the standard percentage rates. At any time the balance of the suspense account represents the difference between the actual overhead cost pool expenditure and the amounts applied to capital expenditure each month which are based on the budgeted percentage rates. Each year APA performs a 'true-up' process that reconciles actual overhead costs to the budgeted amounts and any necessary reconciliation adjustments are made in the year-end accounts.

The overheads that are capitalised are allocated to AGN Limited's regulatory business zones (states) in which the capital project or activity is assigned to. Capital projects and activities are generally only assigned to one regulatory business zone, with the exception of non-network related national IT projects which are allocated to each zone (state) based on customer numbers (excluding non-material small pipelines).

Appendix C: Related Party Transactions and Margins

The following description of AGN Limited's related party transactions and related party margins, including the associated cost collection process, applies to the information previously reported to the AER in the 2014-15 Annual RIN. As explained below, after 2014-15 AGN Limited no longer has related party transactions.

Background

When AGN Limited was known as Envestra Limited (Envestra), the operation and management of its distribution network, including delivery of its capital program, was out-sourced to APA Asset Management (APA). This agreement (the 'OMA') commenced on 2 July 2007 and has continued since that time, including through Envestra's change of ownership which led to its re-branding as "Australian Gas Networks" in October 2014.

The OMA is an arms-length arrangement, which provides for APA to recover its direct and indirect costs in delivering the services to AGN Limited, and for the payment of a Network Management Fee (NMF) which represents APA's margin. The NMF is calculated using a formula that is based upon a percentage of AGN Limited's revenue in each regulated and unregulated business zone.

Until the current owner of AGN Limited acquired the business on 29 August 2014, through the purchase of all the issued shares in Envestra Limited, the APA Group was a significant shareholder in Envestra, owning 33% of the company. This meant that until this date, APA Asset Management which is an entity within the APA Group, satisfied the definition of a related party.

Accordingly, payments by AGN Limited to APA for the period 1 July to 29 August 2014 have been recognised as related party transactions in the information provided within the AER regulatory templates. For simplicity, this has been calculated on a pro-rata basis as two twelfths of the total payments to APA in 2014-15. Further, the NMF paid to APA for the same period, has been recognised as related party margin expenditure in the information provided within the AER regulatory templates.

Cost capture and reporting

APA charges AGN Limited for its services on a 'cost pass-through' basis each month, plus the agreed NMF. These monthly charges from APA relate to services provided across all of the gas pipelines owned by AGN Limited. The charges from APA are recorded in AGN Limited's SAP general ledger with the corresponding operating and capital expenditure amounts being recognised in a summarised level through entries to relevant general ledger account, departments and state codes.

The amount of the NMF paid to APA each month is recorded in AGN Limited's general ledger on an accruals basis. The amounts calculated and charged by APA are based on AGN Limited's actual revenue figures for each regulated and unregulated business zone each month.

Consistent with AGN Limited's Regulatory Accounting Principles and Policies document, AGN Limited does not capitalise the NMF paid to APA. Accordingly, AGN Limited makes an adjustment when consolidating information from the RFAs provided by APA with its own cost data, and in preparing the information to complete the AER's regulatory templates, in order to report 100% of the NMF as operating expenditure. Therefore there is no related party margins reported for capital expenditure in these AA RIN templates.

Appendix D: Regulatory accounting policy and other adjustments

The information set out below, describes the basis of preparation for capital expenditure reported in the AER regulatory templates, where adjustments were required in the working papers used to prepare the data, due to regulatory accounting principles and policies or any other reasons noted below.

Adjustment type	Purpose	Notes for Basis of Preparation
<p>Network Management Fee</p>	<p>Regulatory accounting treatment is different to Statutory accounting</p>	<p>In accordance with the Regulatory Accounting Principles and Policies document, AGN Limited does not capitalise any of the Network Management Fee (NMF) paid to its capital delivery contractor, APA Asset Management under the network operations and management agreement (OMA).</p> <p>For Statutory Accounting purposes, 65% of the total NMF is capitalised and this amount is included in the gross Capex reporting received from APA (i.e. the Capex Data Model). The NMF amount is not separately identified in this Capex reporting but forms part of the reported Overheads that were capitalised by APA.</p> <p>The total NMF paid to APA each year is confirmed against invoices received and other management reporting provided to AGN Limited by APA.</p> <p>35% of the NMF appears in AGN Limited’s operating expenditure and is separately shown in Opex management reporting received from APA (i.e. the Ring Fenced Accounts which are explained in the Cost Allocation Methodology and Appendix to this Basis of Preparation document).</p> <p>To determine the adjustment required for regulatory Capex reporting, AGN Limited takes the Opex amount of NMF for each year and grosses it up, dividing the amount by 0.35 (e.g. \$2.45m / 0.35 = \$7m). The result represents 100% of the NMF for that year (e.g. \$7m).</p> <p>This total is then multiplied by 0.65 to determine the amount that has been included in Capex reporting for that year as part of Overheads reported by APA (e.g. \$7m x 0.65 = \$4.55m).</p>

Adjustment type	Purpose	Notes for Basis of Preparation
		<p>This total amount of NMF that has been capitalised for the year (e.g. \$4.55m) is deducted from each Capex activity in proportion to the Overheads that were capitalised in each activity.</p> <p>That is, the amount of Overheads in each Capex activity, as a percentage of the total Overheads capitalised in that year, determines the share of the NMF adjustment that is made to each Capex activity each year.</p> <p><u>Mapping to the AA RIN templates</u> Adjustments made to remove the NMF from Capex reporting impacts each Capex activity which has received an allocation of APA’s network Overheads in each year (i.e. all network Capex Activities, excluding Capex on ICT projects).</p>

Adjustment type	Purpose	Notes for Basis of Preparation												
<p>Heat Shrinking Sleeves</p>	<p>Regulatory accounting treatment is different to Statutory accounting</p>	<p>In accordance with the Regulatory Accounting Principles and Policies document, AGN Limited treats expenditure on Heat Shrinking Sleeves as Opex for regulatory accounting purposes.</p> <p>Expenditure on Heat Shrinking Sleeves is identified by APA in the detailed reporting analysis that it provides to AGN Limited as its capital delivery contractor under the OMA. This expenditure is recorded against the following Capex Activity types in APA’s Oracle finance system:</p> <table border="1" data-bbox="846 619 2020 730"> <thead> <tr> <th data-bbox="846 619 1435 655">Activity</th> <th data-bbox="1435 619 2020 655">Activity Level6 Desc_MP</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 655 1435 692">2106 CP – Corrosion Protection – Capex</td> <td data-bbox="1435 655 2020 692">Corrosion</td> </tr> <tr> <td data-bbox="846 692 1435 730">2160 New Main – Improved Supply</td> <td data-bbox="1435 692 2020 730">Improve Supply</td> </tr> </tbody> </table> <p>Accordingly, the amounts of expenditure identified as relating to Heat Shrinking Sleeves is deducted from the above Activities as part of the analysis prepared by AGN Limited to produce the RIN templates data.</p> <p><u>Mapping to the AA RIN templates</u> Expenditure and associated adjustments recorded against the activities listed above, are reported in the AA RIN tables as follows:</p> <table border="1" data-bbox="846 1054 2020 1166"> <thead> <tr> <th data-bbox="846 1054 1435 1091">Activity</th> <th data-bbox="1435 1054 2020 1091">AA RIN tab / table</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 1091 1435 1128">2106 CP – Corrosion Protection – Capex</td> <td data-bbox="1435 1091 2020 1128">E13. Other Capex / E13.1 Capex by Project</td> </tr> <tr> <td data-bbox="846 1128 1435 1166">2160 New Main – Improved Supply</td> <td data-bbox="1435 1128 2020 1166">E3. Mains Augex / E3.1 Capex by Project</td> </tr> </tbody> </table>	Activity	Activity Level6 Desc_MP	2106 CP – Corrosion Protection – Capex	Corrosion	2160 New Main – Improved Supply	Improve Supply	Activity	AA RIN tab / table	2106 CP – Corrosion Protection – Capex	E13. Other Capex / E13.1 Capex by Project	2160 New Main – Improved Supply	E3. Mains Augex / E3.1 Capex by Project
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Adjustment type	Purpose	Notes for Basis of Preparation												
<p>Piecemeal Mains Replacement</p>	<p>Regulatory accounting treatment is different to Statutory accounting</p>	<p>In accordance with the Regulatory Accounting Principles and Policies document, AGN Limited treats expenditure on Piecemeal Mains Replacement as Opex for regulatory accounting purposes.</p> <p>Expenditure on Piecemeal Mains Replacement is identified by APA in the detailed reporting analysis that it provides to AGN Limited as its capital delivery contractor under the OMA. This expenditure is recorded against the following Capex Activity types in APA’s Oracle finance system:</p> <table border="1" data-bbox="846 619 2022 730"> <thead> <tr> <th data-bbox="846 619 1435 655">Activity</th> <th data-bbox="1435 619 2022 655">Activity Level6 Desc_MP</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 655 1435 692">2351 Mains Renewal - Piece</td> <td data-bbox="1435 655 2022 692">Mains Renewal – No Pressure Change</td> </tr> <tr> <td data-bbox="846 692 1435 730">2363 Mains Renewal – HDPE Piece</td> <td data-bbox="1435 692 2022 730">Mains Renewal – No Pressure Change</td> </tr> </tbody> </table> <p>The calculated amount of Overheads attributable to this task, is then adjusted to remove the amount of Network Management Fee (NMF) that is part of total Overheads, in accordance with the regulatory accounting treatment of NMF set out above.</p> <p>The final amounts of expenditure, including Overheads identified as relating to Piecemeal Mains Replacement is deducted from the above listed Activities as part of the analysis prepared by AGN Limited to produce the RIN templates data.</p> <p><u>Mapping to the AA RIN templates</u> Expenditure and associated adjustments recorded against the activities listed above, are reported in the AA RIN tables as follows:</p> <table border="1" data-bbox="846 1198 2022 1310"> <thead> <tr> <th data-bbox="846 1198 1435 1235">Activity</th> <th data-bbox="1435 1198 2022 1235">AA RIN tab / table</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 1235 1435 1272">2351 Mains Renewal - Piece</td> <td data-bbox="1435 1235 2022 1272">E2. Mains Repex / E2.1.2 Reactive by Project</td> </tr> <tr> <td data-bbox="846 1272 1435 1310">2363 Mains Renewal – HDPE Piece</td> <td data-bbox="1435 1272 2022 1310">E2. Mains Repex / E2.1.2 Reactive by Project</td> </tr> </tbody> </table>	Activity	Activity Level6 Desc_MP	2351 Mains Renewal - Piece	Mains Renewal – No Pressure Change	2363 Mains Renewal – HDPE Piece	Mains Renewal – No Pressure Change	Activity	AA RIN tab / table	2351 Mains Renewal - Piece	E2. Mains Repex / E2.1.2 Reactive by Project	2363 Mains Renewal – HDPE Piece	E2. Mains Repex / E2.1.2 Reactive by Project
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2363 Mains Renewal – HDPE Piece	E2. Mains Repex / E2.1.2 Reactive by Project													

Adjustment type	Purpose	Notes for Basis of Preparation
		<p>As a result of these adjustments, all of the expenditure originally recorded against the above activities is transferred to operating expenditure. Therefore there are no amounts of capital expenditure to report in this RIN table.</p>

Adjustment type	Purpose	Notes for Basis of Preparation								
Marketing Rebates	Regulatory accounting treatment is different to Statutory accounting	<p>In accordance with the Regulatory Accounting Principles and Policies document, AGN Limited has consistently treated expenditure on Marketing Rebates as Opex for regulatory accounting purposes. Since 1 January 2016 AGN Limited has capitalised the rebates relating to existing customers for Statutory accounting purposes.</p> <p>From January 2016, the methodology applied to determine this adjustment for regulatory accounting purposes is as follows:</p> <p>Expenditure on Marketing Rebates is identified by AGN Limited in working papers provided by APA that calculate the rebates paid to existing customers for any additional (applicable) gas appliances they connect. This expenditure is represented by a standard cost multiplied by the number of rebates offered each month.</p> <p>These amounts are totalled for each year and recorded as an adjustment to the following Capex Activity which is the Activity to which the initial expenditure is mapped in APA’s Oracle finance system.</p> <table border="1" data-bbox="846 943 2022 1018"> <thead> <tr> <th data-bbox="846 943 1435 979">Activity</th> <th data-bbox="1435 943 2022 979">Activity Level6 Desc_MP</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 979 1435 1018">2516 New Service – Existing Home</td> <td data-bbox="1435 979 2022 1018">Inlets</td> </tr> </tbody> </table> <p><u>Mapping to the AA RIN templates</u> Expenditure and associated adjustments recorded against the activities listed above, are reported in the AA RIN tables as follows:</p> <table border="1" data-bbox="846 1198 2022 1321"> <thead> <tr> <th data-bbox="846 1198 1435 1235">Activity</th> <th data-bbox="1435 1198 2022 1235">AA RIN tab / table / connection type</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 1235 1435 1321">2516 New Service – Existing Home</td> <td data-bbox="1435 1235 2022 1321">E5. New Connections / E5.1.1 Capex by Connection Type / New Home</td> </tr> </tbody> </table>	Activity	Activity Level6 Desc_MP	2516 New Service – Existing Home	Inlets	Activity	AA RIN tab / table / connection type	2516 New Service – Existing Home	E5. New Connections / E5.1.1 Capex by Connection Type / New Home
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Activity	AA RIN tab / table / connection type									
2516 New Service – Existing Home	E5. New Connections / E5.1.1 Capex by Connection Type / New Home									

Adjustment type	Purpose	Notes for Basis of Preparation
<p>Head Office Additions and other adjustments</p>	<p>AGN Limited internal expenditure not included in APA Ring Fenced Accounts data</p>	<p>AGN Limited records internal non-network Capex in its SAP Business One finance system. This expenditure primarily relates to corporate ICT systems and office furniture and fixtures.</p> <p>Non-network Capex is recorded in the General Ledger on an accruals basis against applicable General Ledger account codes which identifies its purpose and asset class. Further this expenditure is recorded in AGN Limited’s Fixed Assets Register (FAR) and included in periodic reconciliations of additions to the FAR.</p> <p>As explained elsewhere in this basis of preparation, the detailed analysis of AGN Limited’s network Capex program is provided by AGN Limited’s capital delivery contractor APA. This information, in the form of Microsoft Excel spreadsheets populated with data extracted from APA’s Oracle finance system (e.g. the Capex Data Model) forms the basis of working files prepared by AGN Limited to produce the data and present it in the categories and sub-categories required for AER reporting.</p> <p>AGN Limited’s internal non-network Capex is manually added to these working files.</p> <p>Total Capex reported to the AER, being the combination of Capex delivered by APA and AGN Limited’s internal Capex, is reconciled to AGN Limited’s General Ledger and Fixed Assets Register and these reconciliations are provided to auditors as part of the assurance process.</p> <p>ICT related Capex is reported in tab E12. ICT in the AA RIN templates.</p> <p>Office furniture and fixtures related Capex is reported in tab E13. Other capex in the AA RIN templates.</p> <p>AGN Limited also makes other adjustments to the Capex analysis provided by APA to remove any Capex related to unregulated pipelines, where this has not already been recorded by APA, which is the ordinary process.</p>