

Regulatory Information Notice – Compliance Checklist

Purpose

The purpose of this document is to demonstrate how AusNet has complied with the requirements of the Regulatory Information Notice (RIN) issued by the Australian Energy Regulator to AusNet Gas Services Pty Ltd (ABN 43 086 015 036) under Division 4 of Part 1 of Chapter 2 of the National Gas (Victoria) Law. It shows how AusNet has addressed each of the requirements specified in Schedules 1, 2, 3 and 4 of the RIN. We note that the RIN also contains appendices, some of which contain instructions for completing the RIN and template information. While we have complied with the requirements specified in these appendices, this document only addresses the Schedules in the RIN.

Schedule 1 – General Requirements

Requirement	Response
1. Provide Information	
1.1 Provide the information required in each <i>regulatory template</i> in the Microsoft Excel workbooks attached at Appendix A completed in accordance with: (a) this <i>notice</i> ; and (b) the instructions in Appendix E.	The regulatory templates have been populated in accordance with the requirements of the RIN.
1.2 For all information, other than <i>forecast information</i> , provide in accordance with this notice and the instructions in <i>Appendix E</i> , a <i>basis of preparation</i> demonstrating how the pipeline service provider has complied with this <i>notice</i> with respect to the information provided in each of the <i>regulatory templates</i> .	Refer to the Basis of Preparation document.
1.3 Where changes to the methodology for the allocation of costs have been made within the <i>current access arrangement period</i> , explain the changes and the effect of each change to the information reported in response to this notice.	There have been no changes to the methodology for the allocation of costs from a regulatory perspective within the current access arrangement period.

Requirement	Response
<p>1.4 Provide material used for the purposes of preparing the <i>access arrangement proposal</i> including:</p> <ul style="list-style-type: none"> (a) all consultants' reports commissioned and relied upon in whole or in part; (b) all <i>material</i> assumptions relied upon; (c) a table that references each response to a paragraph in Schedule 2 of this <i>notice</i> and where it is provided in or as part of the <i>access arrangement proposal</i>; (d) a table that references each <i>document</i> provided in or as part of the <i>access arrangement proposal</i> and its relationship to other <i>documents</i> provided; and 	<p>Refer to Document Register, Basis of Preparation and Compliance Checklist and Material Assumptions.</p>
<ul style="list-style-type: none"> (e) each document identified in paragraph 1.4(d) must be given a meaningful filename in the form: <p>[<i>pipeline service provider</i>]- [Author] – [title] – [date] – [public/confidential], where:</p> <ul style="list-style-type: none"> (i) Author is the author of the file which if not the <i>pipeline service provider</i> may be, for example, a consultant or other <i>third party</i>; (ii) Title provides a meaningful description of the content of document, with limited reliance on acronyms or cross references, for example “Appendix 1A” is not meaningful, but “Appendix 1A – Cost allocation method” is; (iii) Date is a relevant date associated with the file, generally the date the document was created; (iv) Public/confidential identifies if the file in its entirety can be published (public); or if it contains any information which is the subject of a claim for confidentiality in accordance with paragraph 2 of this Schedule (confidential). 	<p>Refer to the Documents Register.</p>

Requirement	Response
<p>1.5 Provide for each <i>material</i> assumption identified in the response to paragraph 1.4(b):</p> <ul style="list-style-type: none"> (a) its source or basis; (b) if applicable, its quantum; (c) whether, and how, the assumption has been applied and was taken into account; and (d) the effect or impact of the assumption on the <i>capital</i> and <i>operating expenditure</i> forecasts in the <i>next access arrangement period</i> taking into account: <ul style="list-style-type: none"> (i) the actual expenditure incurred during the <i>current access arrangement period</i>; and (ii) the sensitivity of the forecast expenditure to the assumption. 	<p>Refer to GAAR Key Assumptions.</p>

Requirement	Response
2. Confidential Information	
<p>2.1 This clause applies to any information the <i>pipeline service provider</i> provides:</p> <ul style="list-style-type: none"> (a) in response to Schedules 1, 2 and 3; (b) in an <i>access arrangement proposal</i> for the <i>next access arrangement period</i> (a <i>proposal</i>); (c) in a revision or amendment to a <i>proposal</i>; and (d) in a submission the <i>pipeline service provider</i> makes regarding a <i>proposal</i> or a revised or amended <i>proposal</i>; (together, the <i>pipeline service provider's</i> information). 	Noted.
<p>2.2 If the pipeline service provider wishes to make a claim for confidentiality over any of the pipeline service provider's information, the pipeline service provider must provide the details of that claim in accordance with the requirements of the AER's Confidentiality Guideline, as if it extended and applied to that claim for confidentiality.</p>	Claims for confidentiality have been made in line with the AER's Confidentiality Guideline.
<p>2.3 The pipeline service provider must provide any details of a claim for confidentiality in response to paragraph 2.2 at the same time as making the claim for confidentiality.</p>	Noted. See above response.

Requirement	Response
3. Resubmission of Information	
<p>3.1 If the <i>pipeline service provider</i> is required to resubmit information provided under this <i>notice</i> in subsequent <i>regulatory years</i>, the <i>pipeline service provider</i> must provide:</p> <ul style="list-style-type: none"> (a) the relevant Microsoft Excel Workbook(s) fully populated with the latest submitted data and with revised information marked as amended using the 'Mark selection as AMENDED' tool within the Microsoft Excel Workbook(s); (b) the reason for the resubmission; (c) a statement as to whether or not the resubmitted information results in a <i>material</i> change in the <i>pipeline service provider's</i> response to this <i>notice</i>. 	<p>Noted. There is no historical resubmission information.</p>
<p>3.2 If the <i>pipeline service provider</i> resubmits historical information which results in a material change to its response to this <i>notice</i>, the <i>AER</i> may request the <i>pipeline service provider</i> provide assurance over this information by:</p> <ul style="list-style-type: none"> (a) verifying the resubmitted information by way of a statutory declaration in accordance with Appendix B of <i>this notice</i>; and (b) provide the necessary <i>audit opinion report</i> and the <i>review conclusion statements</i> as applicable for the resubmitted information, prepared in accordance with the requirements set out in Appendix C of this <i>notice</i>. 	<p>Noted. Not applicable – see section 3.1.</p>
<p>3.3 If the <i>AER</i> requests assurance over the resubmitted historical information in accordance with paragraph 3.2, such assurance information must be provided at the time the next annual response to this notice is due or on a date otherwise agreed to by the <i>AER</i>.</p>	<p>Noted. Not applicable – see section 3.1</p>

Requirement	Response
4. Audit Opinion Reports and Review Conclusion Statements	
4.1. Provide the audit opinion report and review conclusion statements as applicable, prepared in accordance with the requirements set out in Appendix C.	Refer to KPMG RIN Audit Report, KPMG RIN Review Report, and McQuarrie Consulting - RIN review.
4.2. Provide all reports from the auditor to the pipeline service provider's management regarding the review conclusion statements and/or auditors' opinions report or assessment.	No additional reports from the auditor were provided to Management.
5. Director Certification	
5.1 Provide, by the directors of the <i>pipeline service provider</i> , a certification of the reasonableness of the key assumptions relating to the methodology used for developing the <i>pipeline service provider's operating</i> expenditure and capital expenditure forecasts.	Refer to Reasonableness of Assumptions.
6. Statutory Declaration	
6.1. The notice requires a company officer of AusNet Gas to attest to the quality of the information provided in response to the notice, in accordance with the statutory declaration set out at Appendix B.	Refer to Statutory Declaration GAAR 2024-28.

Requirement	Response
<p>6.2. When attesting to the quality of the forecast information provided the officer of AusNet Gas should take into account relevant factors including (but not limited to) whether forecast information provided in response to this notice:</p> <ul style="list-style-type: none"> (i) meets the requirements of the NGL and the NGR that should be taken into account when preparing the information for the notice and access arrangement proposal; (ii) meets the requirements of this notice; (iii) reflects the outcomes of the consumer consultation undertaken to prepare the access arrangement proposal; (iv) is consistent with the information provided in the access arrangement proposal of the pipeline service provider, including the models for asset roll forward, operating expenditure, capital expenditure and revenue forecasts; (v) is based on assumptions, which are identified in response to paragraph 1.4(b) of Schedule 1 to this notice, and are justified and supported by evidence; (vi) is consistent with applicable AER Guidelines, or where it varies from those guidelines, is consistent with the variation as set out in the access arrangement proposal; and (vii) is consistent, to the extent possible, with historical information previously provided to the AER. 	<p>Provided in AAI, including Chapters 5, 6 and 7.</p>

Requirement	Response
<p>6.3. When attesting to the quality of the historical information provided the officer of AusNet Gas should take into account relevant factors including (but not limited to) whether estimated historical information provided in response to this notice:</p> <ul style="list-style-type: none"> (i) meets the requirements of this notice; (ii) is based on assumptions, which are identified in response to paragraph 1.4(b) of Schedule 1 to this notice; and are justified and supported by evidence; (iii) is consistent with applicable AER Guidelines, or where it varies from those guidelines, is consistent with the variation as set out in the access arrangement proposal; and (iv) is consistent, to the extent possible, with historical information previously provided to the AER. 	<p>Refer to Statutory Declaration GAAR 2024-28, Reasonableness of Assumptions and GAAR Key Assumptions.</p>

Schedule 2 – Reset Information

Requirement	Response
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GENERAL REQUIREMENTS

1. Service Provider Details and Business Context

Local agent of a service provider

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| 1.1 Provide all details of any local agent(s) of the pipeline service provider (s. 11 of the NGL). | Provided in AAI Chapter 2. |
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2. Background to the pipeline

Pipeline and pipeline services

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| 2.1 For the <i>current access arrangement period</i> for each pipeline service provided by way of the <i>pipeline service provider's</i> gas distribution network that is not specified as a <i>reference service</i> in the <i>pipeline service provider's access arrangement proposal</i> , provide in the materials submitted to the <i>AER</i> : | This is addressed in AAI Chapter 3. |
| (a) the volume of gas distributed throughout the <i>gas distribution network</i> each <i>regulatory year</i> , and | |
| (b) the number of <i>users</i> . | |

EXPENDITURE REQUIREMENTS

3. Capital Expenditure

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| 3.1 The information required to be provided, prepared, kept or maintained in this part of the <i>notice</i> relates to all <i>pipeline services</i> , including both <i>reference services</i> and <i>non-reference services</i> . | Noted. |
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Requirement	Response
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Capital expenditure in the *previous and current access arrangement period*

3.2 Provide *capital expenditure* at a *project* level and at a *capital expenditure* subcategory level in *Workbook 2 – Historical data* and *Workbook 5 – Annual data, regulatory templates E2 to E6, E10, E12 and E13*. Where data is either not available to the *pipeline service provider* or it is not practical to produce the data in the materials submitted to the *AER*:

- (a) explain why; and
- (b) provide data at the most disaggregated level available.

N/A: The relevant templates have been completed.

Capital expenditure in the *current access arrangement period*

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

- (a) in terms of the nature of the work undertaken (scope, scale or other deviation from proposed works), the volume and the cost (deviation in unit rates), any *material difference* for each *capital expenditure purpose* between:
 - (i) the *capital expenditure* approved by the *AER* and the actual and/or estimated *capital expenditure* for the *current access arrangement period*; and
 - (ii) the *capital expenditure* proposed by the *pipeline service provider* and the actual and/or estimated *capital expenditure* for the *current access arrangement period*; and
- (b) whether and how the *pipeline service provider* considers that *conforming capital expenditure* to be added to the *capital base* in the *current access arrangement period* meets the requirements of r. 79 of the *NGR*.

In relation to paragraph (a), this requirement is addressed in AAI Chapter 6 and associated appendices and models.

In relation to paragraph (b), the prudence and efficiency of current period capex and, therefore, compliance with Rule 79, is demonstrated in AAI Chapter 6.

Requirement

Response

Speculative capital expenditure account, reused redundant assets, redundant assets and disposals in the *current access arrangement period*

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- 3.4 Provide an explanation in the materials submitted to the *AER* whether and how the *pipeline service provider* considers the requirements of r. 79 of the *NGR* are met for any amounts added to or deducted from the *capital base* in the *current access arrangement period*:
- (a) from the *speculative capital expenditure account*;
 - (b) for the reuse of redundant assets;
 - (c) for redundant assets; and
 - (d) for *disposals*.
- No amounts have been added to or deducted from the opening capital base to account for (a), (b) or (c). Asset disposals recorded in the RFM for the current period that are deducted from the opening capital base meet the requirements of Rule 79.
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Forecast conforming capital expenditure in the next access arrangement period

- 3.5 For each *capital expenditure purpose* identified in the *Workbook 1 – Reset (forecast) data, regulatory templates E2 to E13*, provide in the materials submitted to the *AER* an overall description including:
- (a) a definition and explanation of any materiality threshold test that the *pipeline service provider* intends to apply to categorise forecast conforming *capital expenditure projects*;
 - (b) the nature of forecast conforming *capital expenditure projects* or *programs material* to each *capital expenditure purpose*, including a brief description of the *capital expenditure* and, where relevant, the location of the expenditure on the *distribution pipeline*;
 - (c) key drivers of the proposed expenditure;
 - (d) an explanation of how expenditure is distinguished between:
- In relation to paragraph (a), no materiality test has been applied.
- In relation to paragraphs (b), (c) and (d), these requirements are addressed in AAI Chapter 6 and associated appendices and models.
- In relation to paragraph (e) and (f), these are reflected in Chapter 6 and associated models, noting we only have forecasted capital contributions (rather than contractual agreements) at this time.
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Requirement	Response
<ul style="list-style-type: none"> (i) <i>new customer connections capital expenditure and augmentation capital expenditure;</i> (ii) <i>augmentation capital expenditure, driven by demand, mains replacement capital expenditure and other capital expenditure, driven by asset condition and other drivers; and</i> (iii) <i>any capital expenditure purpose or operating expenditure category where the pipeline service provider considers that there is reasonable scope for ambiguity in categorisation.</i> (e) <i>details as to whether the forecast conforming capital expenditure is to be funded by parties other than the pipeline service provider; and</i> (f) <i>details of contractual agreements with parties where capital contributions are made by users for new capital expenditure (see r. 82).</i> 	
<p>3.6 For forecast <i>conforming capital expenditure</i>, in total and in terms of each <i>capital expenditure purpose</i>, explain in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) <i>how it reasonably reflects the new capital expenditure criteria set out in r. 79(1) of the NGR, and how the pipeline service provider has interpreted these criteria;</i> (b) <i>how the forecast conforming capital expenditure is justified under r. 79(2) of the NGR and how the pipeline service provider has interpreted these sub-rules; and</i> (c) <i>how any plans, policies, procedures, regulatory obligations or requirements, consultants' reports, economic analysis and assumptions have been used to justify the forecast conforming capital expenditure.</i> 	<p>This is addressed in AAI Chapter 6 and associated appendices.</p>

Requirement	Response
<p>3.7 If r. 79(2)(a) is relied on to justify the forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) the calculations of the economic value of the <i>capital expenditure</i> that directly accrues to the <i>service provider</i>, gas producers, <i>users</i> and end <i>users</i>; and (b) an explanation of the nature and quantification of the economic value that directly accrues to the <i>service provider</i>, gas producer, <i>users</i> and end <i>users</i> (see r. 79(3)). 	<p>N/A: Rule 79(2)(a) has not been relied on to justify conforming capital expenditure.</p>
<p>3.8 If r. 79(2)(b) is relied on to justify forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) the information the <i>pipeline service provider</i> relied on to determine the expected incremental <i>revenue</i> to be generated as a result of the forecast <i>conforming capital expenditure</i>; (b) a description of the incremental service or services (see r. 79(4)(a)); (c) the gross revenue derived from the incremental service (see r. 79(4)(b)); (d) the incremental expenditure (see r. 79(4)(b)); and (e) the discount rates that the <i>pipeline service provider</i> used to determine the present value of the incremental <i>revenue</i>. 	<p>This is addressed in AAI Chapter 6 and associated appendices and models.</p>
<p>3.9 If r. 79(2)(c)(i), (ii) or (iii) is relied on to justify the forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) an explanation of which item in r. 79(2)(c)(i), (ii) or (iii) is relied on; (b) the relevant <i>regulatory obligation or requirement</i> (if any) and the relevant authority or body enforcing it; 	<p>This is addressed in AAI Chapter 6 and associated appendices.</p>

Requirement	Response
<ul style="list-style-type: none"> (c) an explanation of whether and how the <i>pipeline service provider</i> considers that the forecast <i>conforming capital expenditure</i> satisfies the item in r. 79(2)(c)(i), (ii) or (iii) being relied on; and (d) any supporting technical or other external or internal reports about whether and how the <i>pipeline service provider</i> considers that the forecast <i>conforming capital expenditure</i> addresses the relevant item in r. 79(2)(c)(i), (ii) or (iii). 	
<p>3.10 If r. 79(2)(c)(iv) is relied on to justify forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) an explanation of how the conforming capital expenditure is necessary to maintain the pipeline service provider's capacity to meet levels of demand for services; and (b) any reports or other information and documentation that supports whether and how the <i>pipeline service provider</i> considers that the forecast <i>capital expenditure</i> will maintain the capacity to meet the levels of demand for services. 	<p>This is addressed in AAI Chapter 6 and associated appendices.</p>
<p>3.11 For each <i>capital expenditure purpose</i> provide a <i>project</i> list which details for each <i>project</i>:</p> <ul style="list-style-type: none"> (a) an <i>internal identification code</i>, which will enable the <i>pipeline service provider</i> to report <i>actual capital expenditure</i> against <i>forecast capital expenditure</i>; (b) the <i>project</i> name used internally by the <i>pipeline service provider</i>; (c) the cost and timing of the <i>project capital expenditure</i>; and (d) a brief description of the <i>project</i> and its scope. 	<p>Historical information is provided in Reset RIN Workbook 2.</p> <p>Forecast information is in Reset RIN Workbook 1. Chapter 6 and supporting (AMS) documents also contain relevant information.</p>

Requirement	Response
Capital expenditure forecast method	
<p>3.12 Describe in the materials submitted to the <i>AER</i> how the forecast <i>conforming capital expenditure</i> was prepared, including:</p> <ul style="list-style-type: none"> (a) the forecasting methodologies used; (b) how its preparation differed or related to budgetary, planning and governance processes used in the normal running of the <i>pipeline service provider's</i> business; (c) processes for ensuring amounts are free of error and other steps in quality assurance; and (d) if and how the <i>pipeline service provider</i> considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers. 	<p>This is addressed in AAI Chapter 6 and associated appendices.</p> <p>Refer also to KPMG RIN Audit Report, KPMG RIN Review Report, and McQuarrie Consulting - RIN review.</p>
<p>3.13 In relation to any source material (including models, documentation or any other items containing quantitative data) used by the <i>pipeline service provider</i> to develop its forecast <i>conforming capital expenditure</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) a copy of this source material; and (b) all calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the <i>regulatory templates</i>. 	<p>This is addressed in AAI Chapter 6, associated appendices and models, and supporting material.</p>

Requirement	Response
<p>3.14 Identify in the materials submitted to the AER which particular items of the pipeline service provider’s forecast conforming capital expenditure have been:</p> <ul style="list-style-type: none"> (a) derived directly from competitive tender processes; (b) based upon competitive tender processes for similar projects; (c) based upon estimates obtained from contractors or manufacturers; (d) based upon independent benchmarks; (e) based upon actual historical costs for similar projects; and (f) reflective of any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable. 	<p>This is addressed in AAI Chapter 6 and associated appendices.</p>
<p>3.15 Provide in the materials submitted to the <i>AER</i>, any relevant internal decision making <i>documents</i> relating to approval of the forecast <i>conforming capital expenditure</i> and any other internal or external documentation or models that justify the forecast <i>conforming capital expenditure</i>, including but not limited to:</p> <ul style="list-style-type: none"> (a) business cases; (b) feasibility studies; (c) forecast demand studies and internal reports; and (d) the date of any relevant internal decision making body/management decisions and board decisions. 	<p>This is addressed in AAI Chapter 6 and associated appendices and supporting documents.</p>
<p>3.16 Provide in the materials submitted to the <i>AER</i> all <i>documents</i> which were taken into account and relate to the <i>deliverability</i> of forecast <i>conforming capital expenditure</i> and explain the proposed <i>deliverability</i>.</p>	<p>This is addressed in AAI Chapter 6 and associated appendices as well as AAI Chapter 2.</p>

Requirement	Response
<p>Non-conforming capital expenditure in the <i>next access arrangement period</i></p>	<p>Capital contributions are addressed in AAI Chapter 6.</p>
<p>3.17 Provide in the materials submitted to the <i>AER</i> in relation to <i>non-conforming capital expenditure</i>:</p> <p>(a) details of the mechanism to prevent the <i>pipeline service provider</i> from benefiting, through increased <i>revenue</i>, from the <i>capital contributions</i> by a <i>user</i> in the <i>next access arrangement period</i> (see r. 82(3)).</p>	
<p>Capital redundancy policy in the <i>next access arrangement period</i></p>	
<p>3.18 If relevant, provide in the materials submitted to the <i>AER</i>:</p> <p>(a) an explanation of the proposed mechanism to remove redundant assets from the <i>capital base</i> including:</p> <p>(i) when the mechanism will take effect; and</p> <p>(ii) whether the mechanism includes a <i>proposal</i> for cost sharing between the <i>service provider</i> and <i>users</i> associated with a decline in demand for <i>pipeline services</i>;</p> <p>(b) an explanation of why the mechanism is being included;</p> <p>(c) an explanation of what uncertainty the mechanism may cause; and</p> <p>(d) the effect of this uncertainty on the <i>pipeline service provider</i>.</p>	<p>N/A.</p>

Requirement	Response
4. Operating Expenditure	

Operating expenditure in the *current access arrangement period* Provided in AAI Chapter 7 and associated appendices.

- 4.1 For the *current access arrangement period* in the materials submitted to the *AER*:
- (a) identify all relevant *related parties*; and
 - (b) provide an explanation of any non-recurring expenditures and the expenditure incurred for each of the non-recurring expenditures each *regulatory year*.

Requirement	Response
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Forecast operating expenditure in the *next access arrangement period*

- 4.2 For forecast total *operating expenditure* provide in the materials submitted to the *AER*:
- (a) a description and explanation of the major drivers for the increase/decrease in expenditure for each *operating expenditure* category between the *current access arrangement period* and the *next access arrangement period*;

- (b) information on any changes to the operations of the pipeline from the *current access arrangement period* that have resulted in *material* changes to *operating expenditure categories* and total *operating expenditure* in the *next access arrangement period*, including a definition of the materiality threshold used by the *pipeline service provider* to identify such changes; Provided in AAI Chapter 7 and associated appendices.

- (c) the models or methodology used to develop the forecast total *operating expenditure*; and Provided in AAI Chapter 7, associated appendices and models.

Requirement	Response
<p>(d) a description of how the forecast was prepared, including:</p> <ul style="list-style-type: none"> (i) how <i>forecast operating expenditure</i> reasonably reflects the criteria set out in r. 91(1) of the <i>NGR</i>; (ii) if a revealed cost <i>base year</i> approach was used to forecast total <i>operating expenditure</i>; <ul style="list-style-type: none"> (1) what the base year is; and (2) why that base year represents efficient, recurrent costs; (iii) if a revealed cost <i>base year</i> approach was not used to forecast total <i>operating expenditure</i>; <ul style="list-style-type: none"> (1) whether there was a year of historical <i>operating expenditure</i> available that represents efficient, recurrent costs; and (2) if not, why no year of historical <i>operating expenditure</i> represents efficient, recurrent costs; and (iv) any non-recurrent expenditure in the <i>base year</i> and each year of the <i>next access arrangement period</i>. 	<p>Provided in AAI Chapter 7 and associated appendices.</p>

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

Requirement	Response
<p><i>obligations or requirements</i> and changes to industry best practice; and</p> <p>(c) whether the productivity measure used to forecast operating expenditure includes productivity change compensated for by the labour price measure used to forecast the change in the price of labour.</p>	
<h2>5. Step changes</h2>	
<p>5.1 For all <i>step changes</i> in <i>forecast operating expenditure</i> (including due to changes in policies, strategies and obligations) provide in the materials submitted to the <i>AER</i>:</p> <p>(a) a description of the <i>step change</i>, including when the change occurred, or when it is expected to occur, what its driver is, and how the driver has changed (e.g. the change in a regulatory obligation); and</p> <p>(b) a demonstration, including all supporting justifications, for when and how the <i>step change</i> affected or is expected to affect expenditures (historical and forecast), with respect to:</p> <p>(i) any of the <i>operating expenditure categories</i>; and</p> <p>(ii) total <i>operating expenditure</i>.</p>	<p>Provided in AAI Chapter 7 and associated appendices.</p>
<p>5.2 For each <i>step change</i> identified in response to paragraph 5.1, explain in the materials submitted to the <i>AER</i>:</p> <p>(a) why the efficient costs of the <i>step change</i> are not provided by other aspects of the <i>operating expenditure</i> forecast including, for example, base <i>operating expenditure</i>, output growth, real price growth or forecast productivity change; and</p> <p>(b) why the <i>step change</i> is required to contribute to a total <i>forecast operating expenditure</i> that reasonably reflects the criteria set out in r. 91(1) of the <i>NGR</i>.</p>	<p>Provided in AAI Chapter 7 and associated appendices.</p>

Requirement	Response
<p>5.3 For all <i>step changes</i> in forecast expenditure provide:</p> <p>(a) In <i>Workbook 1 – Reset (forecast) data, regulatory template E17</i> the <i>step changes</i> expenditure:</p> <p>(i) forecast for each year of the <i>forthcoming access arrangement period</i>; and</p> <p>(ii) expected to be incurred in the <i>current access arrangement period</i>; and</p> <p>(b) a description of the <i>step change</i>.</p>	<p>Provided in AAI Chapter 7 and associated appendices. See also supporting documents, particularly the ICT program briefs.</p>
<p>5.4 For each <i>step change</i> listed in response to paragraph 5.3, provide in the materials submitted to the <i>AER</i> an explanation of:</p> <p>(a) when the change occurred, or is expected to occur;</p> <p>(b) what the driver of the <i>step change</i> is;</p> <p>(c) how the driver has changed or will change (for example, revised legislation may lead to a change in a regulatory obligation or requirement); and</p> <p>(d) whether the <i>step change</i> is recurrent in nature.</p>	<p>Provided in AAI Chapter 7 and associated appendices. See also supporting documents, including the ICT program briefs.</p>
<p>5.5 For each <i>step change</i> listed in response to paragraph 5.3, provide in the materials submitted to the <i>AER</i> justification for when, and how, the <i>step change</i> affected, or is expected to affect:</p> <p>(a) the relevant <i>operating expenditure category</i>;</p> <p>(b) the relevant <i>capital expenditure purpose</i>;</p> <p>(c) total <i>operating expenditure</i>; and</p> <p>(d) total <i>capital expenditure</i>.</p>	<p>Provided in AAI Chapter 7 and associated appendices. See also supporting documents, including the ICT program briefs.</p>

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

Requirement	Response
Category specific operating expenditure	
<p>5.9 For all <i>category specific forecasts</i> in <i>forecast operating expenditure</i> provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) a description of the <i>category specific forecast</i>; (b) the process undertaken to identify and quantify the <i>category specific forecast</i>, (c) an explanation of why the efficient costs of the <i>category specific forecast</i> is not provided by other aspects of the <i>operating expenditure</i> forecast including, for example, base <i>operating expenditure</i>, output growth, real price growth or forecast productivity change; and (d) an explanation of why the category specific forecast is required to contribute to a total <i>forecast operating expenditure</i> that reasonably reflects the criteria set out in r. 91(1) of the <i>NGR</i>. 	<p>Provided in AAI Chapter 7 and Appendix 12.</p>

Requirement	Response
6. Forecast Price Changes	
6.1 Identify in the materials submitted to the <i>AER</i> , the labour and <i>material</i> price changes proposed in the estimation of the <i>forecast capital expenditure</i> and the <i>forecast operating expenditure</i> .	Provided in AAI Chapter 7 and associated appendices.
6.2 Provide in the materials submitted to the <i>AER</i> : (a) the model(s) used to derive and apply all price changes assumed in the estimation of the <i>forecast capital expenditure proposal</i> and the <i>forecast operating expenditure proposal</i> , including any proprietary model(s) provided by a <i>third party</i> ; (b) in relation to labour escalators, a copy of the current <i>Enterprise Agreement</i> or equivalent agreement; and (c) evidence that the price measures explain those cost changes which are attributed to price changes, including evidence of any materials price forecast method which explains the historical change in the price of materials purchased by network <i>service providers</i> .	

Requirement	Response
<p>6.3 Explain in the materials submitted to the <i>AER</i>:</p> <p>(a) the methodology underlying the calculation of each price change, including sources, data conversions, the operation of any models provided under paragraph 6.2(a) and the use of any assumptions, such as lags or productivity gains;</p> <p>(b) whether the same price changes have been used in developing both <i>the forecast capital expenditure</i> and <i>forecast operating expenditure</i>; and</p> <p>(c) if the response to paragraph 6.3(b) is no, why it is appropriate for different expenditure escalators to apply.</p>	<p>Provided in AAI Chapter 6, Chapter 7 and associated appendices.</p>
<p>6.4 If an agreement provided in response to paragraph 6.2(b) is due to expire during the <i>next access arrangement period</i>, explain in the materials submitted to the <i>AER</i> the progress and outcomes of any negotiations to date to review and replace the current agreement.</p>	<p>N/A.</p>
<h2>7. Interactions between Capex and Opex</h2>	
<p>7.1 Identify in the materials submitted to the <i>AER</i> any <i>material</i> interactions between the <i>pipeline service provider's</i> forecast <i>capital expenditure</i> and <i>forecast operating expenditure</i>.</p>	<p>Provided in AAI Chapter 7.</p>
<p>7.2 Explain in the materials submitted to the <i>AER</i> how these interactions have been taken into account when developing forecasts of <i>capital expenditure</i> and <i>operating expenditure</i>, and otherwise in providing responses to items under paragraphs 5 and 6.</p>	<p>Provided in AAI Chapter 7.</p>

Requirement	Response
CAPITAL BASE AND TAX REPORTING	
8. Capital Base	
<p>8.1 Provide the <i>pipeline service provider's</i> calculation of the <i>capital base</i> using the <i>AER's RFM</i> and <i>PTRM</i> which are to be submitted as part of the <i>access arrangement proposal</i>, including the <i>pipeline service provider's</i> calculation of the opening and closing <i>capital base</i> for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i>.</p>	<p>Provided in AAI Chapter 8 and associated models.</p>
<p>8.2 Confirm in the materials submitted to the AER that the gross capex and customer contribution values in the AER's RFM and/or PTRM submitted by the pipeline service provider are exclusive of gifted assets consistent with the Full Federal Court of Australia's ruling on 21 October 2020.</p>	<p>Gross capex and customer contribution values in our RFM and/or PTRM are exclusive of gifted assets.</p>
<p>8.3 If the <i>pipeline service provider</i> proposes to change the underlying methods in the <i>AER's RFM</i> and/or <i>PTRM</i> compared with the <i>current access arrangement's AER</i> final decision <i>RFM</i> and/or <i>PTRM</i> for the calculation referred to in paragraph 8.1, describe in the materials submitted to the <i>AER</i> the reasons for the changes.</p>	<p>N/A.</p>
<p>8.4 If the opening value of the <i>capital base</i> as at the start of the <i>next access arrangement period</i> is proposed to be adjusted because of re-use of redundant <i>assets</i> or exclusion of redundant <i>assets</i>, provide details in the materials submitted to the <i>AER</i> including relevant supporting information used to calculate that <i>adjustment</i> value.</p>	<p>N/A.</p>

Requirement	Response
9. Depreciation schedules	
<p>9.1 Provide in the materials submitted to the <i>AER</i>, the <i>pipeline service provider's</i> calculation of the depreciation amounts for the relevant <i>gas distribution network</i> for each <i>regulatory year</i> of:</p> <p>(a) the <i>current access arrangement period</i> using the <i>AER's RFM</i>, which is to be submitted as part of the <i>access arrangement proposal</i>; and</p> <p>(b) the <i>next access arrangement period</i> using the <i>AER's PTRM</i>, which is to be submitted as part of the <i>access arrangement proposal</i>.</p>	<p>Provided in Proposal RFM, PTRM and depreciation model.</p>
<p>9.2 If the <i>pipeline service provider</i> proposes to change the underlying depreciation methods in the <i>AER's RFM</i> and <i>PTRM</i> compared with the <i>current access arrangement's AER</i> final decision <i>RFM</i> and <i>PTRM</i> for the calculations referred to in paragraph 9.1, describe in the materials submitted to the <i>AER</i> the reasons for the changes.</p>	<p>We apply straight-line depreciation of the RAB using a separate year by year tracking model which depreciates the opening RAB value. We have, however, proposed to accelerate the depreciation of some assets. Further information is provided in AAI Chapter 3 and Chapter 9.</p>
<p>9.3 For the standard <i>asset lives</i> applied in the <i>PTRM</i>, identify any changes from the standard <i>asset lives</i> approved in the <i>AER's</i> final decision for the <i>current access arrangement</i> for existing <i>asset classes</i>. Explain in the materials submitted to the <i>AER</i> the reason/s for the change and provide relevant supporting information.</p>	<p>Provided in AAI Chapter 3 and Chapter 9.</p>
<p>9.4 For any proposed new <i>asset classes</i>, explain the reason/s for using these new <i>asset classes</i> and provide in the materials submitted to the <i>AER</i> the relevant supporting information on their proposed standard <i>asset lives</i>.</p>	<p>Provided in AAI Chapter 3, Chapter 8 and Chapter 9.</p>

Requirement	Response
<p>9.5 If existing <i>asset classes</i> approved in the AER’s final decision for the <i>current access arrangement</i> are proposed to be removed at the start of the <i>next access arrangement period</i> and their residual values are to be reallocated to other <i>asset classes</i>, explain in the materials submitted to the AER the reason/s for the change and provide relevant supporting information. This should include a demonstration of the materiality of the change on the forecast depreciation allowance.</p>	Not applicable.
<p>9.6 Describe in the materials submitted to the AER the method used to depreciate existing <i>asset classes</i> as at 1 July 2021 and provide supporting calculations. This may include calculations to estimate remaining <i>asset lives</i>.</p>	Provided in AAI Chapter 9, the Depreciation Tracking Model and the PTRM.
<p>9.7 Explain in the materials submitted to the AER the approach the <i>pipeline service provider</i> used to forecast its <i>immediate expensing capital expenditure</i> for the <i>next access arrangement period</i> as provided in the <i>access arrangement proposal PTRM</i>.</p>	Provided in AAI Chapter 11, the Capex Forecast Model and the PTRM.
<p>9.8 The AER's PTRM applies the diminishing value (DV) method for tax depreciation purposes to all new depreciable assets except for certain assets. Where the pipeline service provider proposes capital expenditure associated with buildings and in-house software to be exempted from the DV method of tax depreciation, please confirm that the proposal satisfies the following requirements:</p> <ul style="list-style-type: none"> (a) buildings: capital expenditure for buildings may be depreciated using the SL method if it satisfies the definition of a capital work under section 43.20 of the Income Tax Assessment Act 1997 (ITAA); and (b) in-house software: capital expenditure for in-house software may be depreciated using the SL method if it satisfies the definition of in-house software under section 995.1 of the ITAA, and may be depreciated using the SL method, consistent with section 40.72 of the ITAA. 	N/A.

Requirement	Response
10. Corporate Income Tax	
10.1 Provide in the materials submitted to the <i>AER</i> the <i>pipeline service provider's</i> calculation of the estimated cost of corporate income tax for the <i>next access arrangement period</i> using the <i>AER's PTRM</i> , which is to be submitted as part of the <i>access arrangement proposal</i> .	Provided in proposal PTRM.
10.2 Demonstrate in the materials submitted to the <i>AER</i> that the calculation referred to in paragraph 10.1 complies with r. 87A of the <i>NGR</i> .	Provided in proposal PTRM.
10.3 Provide in the materials submitted to the <i>AER</i> the details of each departure from the <i>AER's PTRM</i> for the calculations referred to in paragraph 10.1, and the reasons for that departure.	N/A.
10.4 Identify in the materials submitted to the <i>AER</i> any changes to standard tax asset lives for existing <i>asset classes</i> approved for the <i>current access arrangement</i> . Explain the reason/s for the change and provide relevant supporting information, including Federal tax laws governing depreciation for tax purposes.	Provided in AAI Chapter 10.
10.5 Describe in the materials submitted to the <i>AER</i> the method used to depreciate existing asset classes as at 1 July 2021 for tax purposes and provide supporting calculations, if the approach differs from that in the <i>current access arrangement's AER</i> final decision <i>RFM</i> .	Provided in AAI Chapter 11.
10.6 Provide in the materials submitted to the <i>AER</i> the <i>pipeline service provider's</i> calculation of the tax asset base for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i> using the <i>pipeline service provider's RFM</i> , <i>PTRM</i> and/or separate tax depreciation model.	Provided in proposal PTRM and depreciation tracking model.

Requirement	Response
10.7 If the <i>pipeline service provider</i> proposes to change the underlying methods in the <i>AER's RFM</i> for the calculations referred to in paragraph 10.6, describe in the materials submitted to the <i>AER</i> the reasons for the changes.	N/A. No changes to the underlying methods in the <i>AER's RFM</i> were proposed.
10.8 Identify in the materials submitted to the <i>AER</i> any differences in the <i>capitalisation</i> of expenditure for regulatory accounting purposes and tax accounting purposes. Provide reasons and supporting calculations to reconcile any differences between the two forms of accounts.	N/A. There are no differences in the capitalisation of expenditure for regulatory accounting purposes and tax accounting purposes.

Requirement

Response

NETWORK INFORMATION REPORTING

11. Demand

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

- (a) an explanation of any trends in demand and volumes over the *current access arrangement period* and the *next access arrangement period*;
- (b) details of the key drivers behind the demand forecasts provided in response to *Workbook 1 – Reset (forecast) data, regulatory template N1. Demand*;
- (c) any methodology and models that have been used to develop the demand forecasts;
- (d) any data sets used as inputs into the models;
- (e) any key inputs and assumptions that have been used in the models (including in relation to economic growth, *customer numbers* and policy changes) and any associated models or data relevant to justifying these inputs and assumptions and how demand for *pipeline services* is differentiated;
- (f) an explanation of any weather normalisation models used by the *pipeline service provider* and how weather data has been used, as well as an explanation as to how the *pipeline service provider's* approach to weather normalisation has changed over time;
- (g) an explanation of any appliance models, where used, or assumptions relating to *average customer* energy usage (by *customer* type);
- (h) how the forecasting methodology used is consistent with, and takes into account, historical observations (where appropriate), including any calibration processes undertaken within the model (specifically whether the load forecast is matched against actual historical load); and
- (i) an explanation of how the demand forecasts have been used to develop the *pipeline service provider's capital expenditure* and *operating expenditure* forecasts.

Provided in:

- AAI Chapter 3 and Appendix 3.
- AAI Chapter 6 and Chapter 7.

Requirement	Response
<p>11.2 Provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) evidence that any independent verifier engaged has examined the reasonableness of the method, processes and assumptions in determining the forecasts and has the requisite expertise to undertake a verification of forecasts; and (b) all documentation, analysis and models evidencing the results of the independent verification provided in paragraph 11.2(a). 	<p>Provided in AAI Chapter 3 and Appendix 3.</p>

INCENTIVE SCHEMES AND OTHER REPORTING

12. Proposed Incentive Mechanism	
<p>12.1 Provide in the materials submitted to the <i>AER</i>, for each incentive mechanism (including existing incentive mechanisms), details of the forecast <i>revenue</i> referable to increments for efficiency gains or decrements for efficiency losses for the <i>next access arrangement period</i>.</p>	<p>Provided in AAI Chapter 14.</p>
<p>12.2 Provide in the materials submitted to the <i>AER</i>, for each proposed incentive mechanism:</p> <ul style="list-style-type: none"> (a) an explanation of the operation of the proposed incentive mechanism; (b) an explanation of the rationale for the proposed incentive mechanism; (c) reference to the source <i>documents</i> used to derive exclusions and inclusions to calculate efficiency gains and losses for the <i>next access arrangement period</i>; and (d) any relevant analyses or reports that support the proposed incentive mechanism. 	<p>Provided in AAI Chapter 14.</p>

Requirement	Response
13. Rate of Return	
13.1 The <i>pipeline service provider</i> is required to apply the binding <i>Rate of Return Instrument</i> (December 2022) for determining the rate of return in its <i>access arrangement proposal</i> .	Noted. Placeholders provided. Information on the rate of return provided in AAI Chapter 10 and Appendix 14.
13.2 The averaging periods nominated by the <i>pipeline service provider</i> in accordance with the <i>Rate of Return Instrument</i> (December 2022) will be kept confidential by the <i>AER</i> .	Noted.
13.3 For the purposes of assessing the <i>pipeline service provider's</i> proposal we require it to nominate 'placeholder' averaging periods which will be made public and have been used to calculate an indicative rate of return in the <i>pipeline service provider's access arrangement proposal</i> .	Noted. Placeholders provided. Information on the rate of return provided in AAI Chapter 10 and Appendix 14.
REVENUE AND PRICING	
14. Revenues and Prices for References Services	
14.1 Provide in the materials submitted to the <i>AER</i> the <i>pipeline service provider's</i> calculation of the unsmoothed and smoothed <i>revenues</i> , and prices for the purposes of the <i>reference tariff variation mechanism</i> proposed by the <i>pipeline service provider</i> for the <i>next access arrangement period</i> using the <i>AER's PTRM</i> .	Provided in AAI Chapter 12 and PTRM. See also AAI Chapter 17.
14.2 If the pipeline service provider proposes to change the underlying methods in its access arrangement proposal PTRM compared with the current access arrangement AER final decision PTRM for the calculations referred to paragraph 14.1 describe in the materials submitted to the AER the reasons for the changes.	N/A.

15. Tariffs

Total Revenue Allocation

- 15.1 Provide in the materials submitted to the *AER*: Provided in AAI Chapter 17.
- (a) an explanation, including any relevant calculations, of the methods or principles used to allocate relevant cost between the *reference services* and *non-reference services*; and
 - (b) for rebateable services, provide:
 - (1) the reasons why the service should be treated as a rebateable service; and
 - (2) a description of the mechanism that the pipeline service provider will use to apply an appropriate portion of the revenue generated from the sale of rebateable services to price rebates (or refunds) to users of reference services (see r. 93 of the NGR).

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

Provided in AAI Chapter 17.

- 15.2 For each *tariff* proposed by the *pipeline service provider* for the *next access arrangement period*, and if it consists of two or more charging parameters, each charging parameter for a *tariff class*, provide in the materials submitted to the *AER*:
- (a) a description of how the *pipeline service provider* has taken into account the long run marginal cost for the *reference service* or, in the case of a charging parameter, for the element of the service to which the charging parameter relates;
 - (b) details of the transaction costs associated with the *tariff* or each charging parameter;
 - (c) whether *customers* belonging to the relevant *tariff class* are able or likely to respond to price signals; and
 - (d) an explanation of the methodology used to allocate costs.

Requirement	Response
<p>Prudent discounts (see r. 96 of the NGR)</p> <p>15.3 Identify in the materials submitted to the <i>AER</i> all prudent discounts that the <i>pipeline service provider</i> proposes for the <i>next access arrangement period</i> and the <i>users</i> to whom they will apply and explain:</p> <ul style="list-style-type: none"> (a) how each prudent discount is necessary to respond to competition or maintain efficient use of the <i>pipeline</i>; and (b) whether including relevant calculations, <i>reference tariffs</i> would be higher without the prudent discount than they would be with the prudent discount. 	<p>No discounts are applied.</p>
<h2>16. Reference Tariff Variations</h2>	
<p>Reference tariff variation mechanism</p> <p>16.1 Provide in the materials submitted to the <i>AER</i> an explanation of:</p> <ul style="list-style-type: none"> (a) the proposed <i>reference tariff variation mechanism</i> for the <i>next access arrangement period</i> and the basis for any parameters used in the mechanism; and (b) the administrative arrangements for periodic reviews of tariffs including the timing of notifications to the <i>AER</i>. 	<p>Provided in AAI Chapter 16.</p>
<p>16.2 Identify in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) the possible effects of the proposed <i>reference tariff variation mechanism</i> on the <i>pipeline service provider's</i> administrative costs and, if known, the administrative costs of <i>users</i> or potential <i>users</i>; and (b) all relevant regulatory arrangements the <i>pipeline service provider</i> considers applicable to the relevant <i>reference services</i> before the commencement of the proposed <i>reference tariff variation mechanism</i>. 	<p>Provided in AAI Chapter 16.</p>

Requirement	Response
<p>Cost pass through mechanism</p> <p>16.3 For each cost pass through event in the <i>pipeline service provider's access arrangement proposal</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) a definition and description of the cost pass through event; (b) an explanation of how the cost pass through event is uncontrollable; (c) an explanation of whether the costs of the cost pass through event are already provided for through the <i>operating expenditure</i> or <i>capital expenditure</i> forecasts, the WACC (i.e. events which affect the market generally, are systemic risks and already compensated through the WACC), or any other mechanism or allowance; and (d) an explanation of the administrative arrangements for the cost pass through event and their relationship to other periodic reviews for other <i>tariff</i> variation mechanisms including the timing of notifications to the <i>AER</i>. 	<p>Provided in AAI Chapter 13 and associated appendix.</p> <p>Provided in AAI Chapter 13 and associated appendix.</p>
<p>16.4 Identify in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) the materiality threshold the <i>pipeline service provider</i> proposes for cost pass through events; (b) the possible effects of the proposed cost pass through mechanism on the <i>pipeline service provider's</i> administrative costs and, if known, the administrative costs of <i>users</i> or potential <i>users</i>; and (c) all relevant regulatory arrangements the <i>pipeline service provider</i> considers applicable to the relevant <i>reference services</i> prior to the commencement of the proposed cost pass through mechanism. 	<p>Provided in AAI Chapter 13 and associated appendix.</p>

Requirement	Response
17. Non-tariff Components	
<p>Non-tariff terms and conditions</p> <p>17.1 Provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) details of any amendments to the non-tariff terms and conditions of the <i>access arrangement</i> that the <i>pipeline service provider</i> proposes for the <i>next access arrangement period</i>; and (b) for each amendment identified in paragraph 17.1(a), explain the reasons for the proposed amendment. 	<p>Provided in AAI Chapter 20.</p>
<p>Queuing requirements</p> <p>17.2 Provide in the materials submitted to the <i>AER</i> details of the process or mechanism for determining the order of priority for spare or developable capacity, for example, whether it is to be on a first-come-first-served basis or by auction.</p>	<p>Provided in AAI Chapter 20.</p>
<p>Capacity trading requirements</p> <p>17.3 Identify in the materials submitted to the <i>AER</i> the rules or procedures the <i>pipeline service provider</i> must accord with under r. 105 of the <i>NGR</i>.</p>	<p>Provided in AAI Chapter 20.</p>
<p>Extension and expansion requirements (see r. 104 of the NGR)</p> <p>17.4 Provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none"> (a) details of any <i>extension and expansion requirements</i> where that <i>extension and expansion requirement</i> states that the <i>access arrangement</i> will apply to incremental services to be provided as a result of the extension or expansion; and (b) details of the effect of those <i>extension or expansion requirements</i> identified in paragraph 17.4(a) on <i>tariffs</i>. 	<p>Provided in AAI Chapter 20.</p>

Requirement	Response
<p>Change of receipt or delivery point by user</p> <p>17.5 Explain in the materials submitted to the <i>AER</i>:</p> <p>(a) how <i>users</i> may obtain consent, including identifying any relevant conditions, to change receipt or delivery points as contemplated under r. 106 of the <i>NGR</i>; and</p> <p>(b) where relevant, the technical or commercial considerations and other relevant conditions in the event the <i>pipeline service provider</i> intends to withhold consent to a change in a <i>receipt or delivery point</i>.</p>	<p>Provided in AAI Chapter 20.</p>
<p>18. Indicative Impact on Customer Gas Bills</p>	
<p>18.1 If the <i>pipeline service provider</i> proposes an alternative method to estimate the impact of its <i>proposal</i> on typical <i>customer</i> bills (other than that set out in <i>Workbook 4 – Indicative bill impact</i>), provide in the materials submitted to the <i>AER</i> the alternative calculations, and describe the method and underlying assumptions used.</p>	<p>Information provided in a manner consistent with information provided in <i>Workbook 4 – Indicative bill impact</i></p>
<p>MISCELLANEOUS REPORTING</p>	
<p>19. Related Party Transactions</p>	
<p>19.1 Identify and describe in the materials submitted to the <i>AER</i> all entities which:</p> <ul style="list-style-type: none"> • are a <i>related party</i> to the <i>pipeline service provider</i> and contribute to the provision of <i>pipeline services</i>; or • have the capacity to determine the outcome of decisions about the <i>pipeline service provider's</i> financial and operating policies. <p>The minimum threshold for these entities are for transactions</p>	<p>Provided in the Related Parties document.</p>

greater than \$1,000,000 in a *regulatory year*.

Requirement	Response
19.2 Provide in the materials submitted to the <i>AER</i> a diagram of the organisational structure depicting the relationships between all the entities identified in the response to paragraph 19.1.	Provided in the Related Parties document.
19.3 Identify in the materials submitted to the <i>AER</i> : (a) all arrangements or <i>contracts</i> between the <i>pipeline service provider</i> and any of the other entities identified in the response to paragraph 19.1 currently in place or expected to be in place during the period 2023-24 to 2027-28 which relate directly or indirectly to the provision of <i>pipeline services</i> ; and (b) the service or services that are the subject of each arrangement or contract.	Provided in the Related Parties document.

Requirement	Response
<p>19.4 For each service identified in the response to paragraph 19.3(b):</p> <ul style="list-style-type: none"> (a) provide in the materials submitted to the <i>AER</i>: <ul style="list-style-type: none"> (i) a description of the process used to procure the service; and (ii) supporting documentation including, but not limited to, requests for tender, tender submissions, internal committee papers evaluating the tenders, <i>contracts</i> between the <i>pipeline service provider</i> and the relevant provider. (b) explain in the materials submitted to the <i>AER</i>: <ul style="list-style-type: none"> (i) why that service is the subject of an arrangement or <i>contract</i> (i.e. why it is outsourced) instead of being undertaken by the <i>pipeline service provider</i> itself; (ii) whether the services procured were provided under a standalone <i>contract</i> or provided as part of a broader operational agreement (or similar); (iii) whether the services were procured on a genuinely competitive basis and if not, why; and (iv) whether the service (or any component thereof) was further outsourced to another provider. 	<p>Provided in the Related Parties document.</p>

Requirement	Response
<p>19.5 For each arrangement or contract identified in the response to paragraph 19.3 provide in the materials submitted to the AER:</p> <ul style="list-style-type: none"> (a) a copy of the arrangement or contract which sets out the obligations of both the other entity and the <i>pipeline service provider</i>; (b) a breakdown of all services provided as part of that arrangement or contract; (c) a breakdown of costs for each service provided as part of the arrangement or contract, including separately identifying overheads, any profit margin or management fee and incentive payments; (d) a breakdown of all costs included in the contract price; and (e) any methodologies, including consultant's reports, or assumptions used to determine components of those costs included in the contract price. 	<p>Provided in the Related Parties document.</p>

Requirement

Response

OTHER INFORMATION

20. Compliance with Section 269A of the NGL

- 20.1 The *pipeline service provider* must provide a statement attesting that:
- N/A.
- (a) where any expenditure or cost has been incurred or is forecast to be incurred by the *pipeline service provider*, as a result of or incidental to a review under Part 5 – Merits review and other non-judicial review – of the *NGL*, that;
 - (i) the *pipeline service provider* has not included any of that expenditure or cost, or any part of that expenditure or cost, in its capital or *operating expenditures* for an *access arrangement* decision; and
 - (ii) the *pipeline service provider* has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and
 - (iii) the *pipeline service provider* has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users; or
 - (b) where no expenditure or cost has been incurred or is forecast to be incurred by the *pipeline service provider*, as a result of or incidental to a review under Part 5 – Merits review and other non-judicial review – of the *NGL*, that;
 - (i) no such expenditure or cost has been incurred or is forecast to be incurred.
-

Requirement	Response
21. Identification of certain costs in actual capex and opex	
21.1 For any actual <i>capital expenditure</i> or <i>operating expenditure</i> reported in response to this <i>notice</i> , identify any part of that expenditure which can be attributed to any expenditure or cost that the <i>pipeline service provider</i> has incurred as a result of, or incidental to, a review under Part 5 – <i>Merits review and other non-judicial review</i> – of the <i>NGL</i> .	N/A.

Schedule 3 – Historical Information

Requirement	Response
1. Provide Historical Financial Information	
<p>1.1 If not previously provided to the <i>AER</i>, provide in the materials submitted to the <i>AER</i>:</p> <ul style="list-style-type: none">(a) the <i>regulatory accounting principles and policies</i> and the <i>capitalisation policy</i> for the relevant <i>regulatory year</i>;(b) the <i>cost allocation methodology</i> for the relevant <i>regulatory year</i>;(c) a statement of policy for determining:<ul style="list-style-type: none">(i) the allocation of costs for the relevant <i>regulatory year</i>; and(ii) the allocation of overheads for the relevant <i>regulatory year</i>.	Provided to the AER as part of the annual RIN process.
<p>1.2 Identify all <i>material</i> changes in the policies provided in the response to paragraph 1.1(c) compared to the previous <i>regulatory year</i>. For each change identified:</p> <ul style="list-style-type: none">(a) explain the nature of and the reasons for the change; and(b) quantify the effect of the change on the <i>regulatory templates</i> for the relevant <i>regulatory year</i>.	N/A.

Requirement	Response
2. Compliance with Current Access Arrangement	
<p>Cost pass through</p> <p>2.1 Describe in the materials submitted to the <i>AER</i> the processes and <i>procedures</i> the <i>pipeline service provider</i> has in place to:</p> <ul style="list-style-type: none"> (a) identify negative cost pass through events under the <i>current access arrangement</i>, and (b) determine the materiality (as defined in the <i>current access arrangement</i>) of cost decreases. 	<p>N/A - no cost pass throughs in the current access arrangement period.</p>
<p>Tariff class assignment</p> <p>2.2 Identify in the materials submitted to the AER each refusal the pipeline service provider has made during the relevant regulatory year to assign a user to the tariff class nominated by a user or prospective user in its request for service under the current access arrangement including:</p> <ul style="list-style-type: none"> (a) the name of the <i>user</i> or prospective <i>user</i>; (b) the date upon which the request was made; and (c) the date upon which the <i>pipeline service provider</i> responded to the request. 	<p>Provided in AAI Chapter 17 and Part B of AA.</p>
<p>Tariff class re-assignment</p> <p>2.3 Describe in the materials submitted to the AER the processes and procedures the pipeline service provider has in place to determine if the withdrawal of a tariff class and/or re-assignment of a delivery point to a different tariff class of under the current access arrangement is necessary.</p>	<p>Provided in Part B of AA.</p>

Requirement	Response
<p>2.4 Identify in the materials submitted to the AER each withdrawal of a tariff class and/or delivery point re-assignment the pipeline service provider has made during the relevant regulatory year under the current access arrangement including:</p> <ul style="list-style-type: none"> (a) the name of the tariff class or delivery point; (b) the date upon which the withdrawal or re-assignment occurred; and (c) how many <i>users</i> were affected by the withdrawal or re-assignment; and (d) the reason for each withdrawal or re-assignment (including re-assignment at the users request). 	<p>Provided in Part B of AA.</p>
<p>2.5 Describe in the materials submitted to the AER the processes and procedures the pipeline service provider has in place to determine if the re-assignment of a tariff class to a delivery point requested by a user under the access arrangement is necessary.</p>	<p>Provided in Part B of AA.</p>
<p>2.6 Identify in the materials submitted to the AER each tariff re-assignment the pipeline service provider has made during the relevant regulatory year under the current access arrangement including:</p> <ul style="list-style-type: none"> (a) the name of the user who made the request; (b) the date upon which the request was made; and (c) whether the pipeline service provider agreed to the request. 	<p>Provided in Part B of AA.</p>

Requirement	Response
3. Cost Allocation to the Pipeline Service Provider	
<p>3.1 Identify in the materials submitted to the <i>AER</i> each item in the <i>regulatory templates</i> that is:</p> <ul style="list-style-type: none"> (a) not allocated on a <i>directly attributable</i> basis but is allocated on a causation basis to the <i>pipeline service provider</i>; or (b) not allocated on a <i>directly attributable</i> basis and cannot be allocated on a causation basis to the <i>pipeline service provider</i>. 	<p>Provided to the AER as part of the annual RIN process in schedule 1 responses.</p>
<p>3.2 For each item identified in the response to paragraph 3.1(a):</p> <ul style="list-style-type: none"> (a) state the amount of the item that has been allocated to the <i>pipeline service provider</i>; (b) explain the method of allocation and reasons for choosing that method; and (c) state the amount of each allocator used; and (d) explain the reason(s) why it cannot be directly attributed. 	<p>Provided to the AER as part of the annual RIN process in schedule 1 responses.</p>
<p>3.3 For each item identified in the response to paragraph 3.1(b):</p> <ul style="list-style-type: none"> (a) state the amount that has been allocated to the <i>pipeline service provider</i> and whether it was <i>material</i>; (b) explain the method of allocation and reasons for choosing that method; and (c) explain the reason(s) why it cannot be allocated on a causation basis. 	<p>Provided to the AER as part of the annual RIN process in schedule 1 responses.</p>

Requirement	Response
4. Cost Allocation to Pipeline Services	
<p>Note: Pipeline services refers to <i>haulage reference services, ancillary reference services, other reference services and non-reference services.</i></p>	<p>Provided to the AER as part of the annual RIN process in schedule 1 responses.</p>
<p>4.1 Identify each item in the <i>regulatory templates</i> attached at Appendix A that is:</p> <ul style="list-style-type: none"> (a) <i>directly attributable</i> to a pipeline service; (b) not <i>directly attributable</i> but is allocated on a <i>causation basis</i> to a pipeline service; (c) not <i>directly attributable</i> and cannot be allocated on a <i>causation basis</i> to a pipeline service. 	
<p>4.2 For each item identified in response to paragraph 4.1(a), state the amount of the item that is <i>directly attributable</i> to each <i>pipeline service</i>.</p>	<p>Provided to the AER as part of the annual RIN process in schedule 1 responses.</p>
<p>4.3 For each item identified in the response to paragraph 4.1(b):</p> <ul style="list-style-type: none"> (a) state the amount of the item that has been allocated to each <i>pipeline service</i>; (b) explain the method of allocation and reasons for choosing that method; and (c) state the amount of each allocator used; and (d) explain why it cannot be directly attributed. 	<p>Provided to the AER as part of the annual RIN process in schedule 1 responses.</p>

Requirement	Response
<p>4.4 For each item identified in the response to paragraph 4.1(c):</p> <ul style="list-style-type: none">(a) state the amount of the item that has been allocated to each <i>pipeline service</i> and whether it was <i>material</i>;(b) explain the method of allocation and reasons for choosing that method; and(c) explain the reason(s) why it cannot be allocated on a <i>causation basis</i>.	<p>Provided to the AER as part of the annual RIN process in schedule 1 responses.</p>

Schedule 4 – Prepare and Maintain Information

Requirement	Response
1. Prepare Information	
1.1 Prepare the Microsoft Excel Workbooks attached at Appendix A in the manner and form specified in the worksheets therein and in accordance with this <i>notice</i> .	Information provided in a manner and form consistent with that outlined.
<p>1.2 For information other than <i>forecast information</i>, prepare a <i>basis of preparation</i> in accordance with the requirements specified in Schedules 1, 2 and 3. The <i>basis of preparation</i> must:</p> <ul style="list-style-type: none"> (a) demonstrate how the information provided is consistent with the requirements of this notice; (b) explain the source from which the <i>pipeline service provider</i> obtained the information provided; (c) explain the methodology the <i>pipeline service provider</i> applied to provide the required information, including any assumptions the <i>pipeline service provider</i> made; and (d) explain, in circumstances where the <i>pipeline service provider</i> cannot provide input for a variable using <i>actual information</i> and therefore must provide input using <i>estimated information</i> <ul style="list-style-type: none"> i) why an estimate was required, including why it was not possible for the <i>pipeline service provider</i> to use <i>actual information</i>; and ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate has been arrived on a reasonable basis and is the <i>pipeline service provider's</i> best estimate possible in the circumstances; and 	<p>Basis of Preparation prepared to meet requirements. Provided as part the historical data submission.</p> <p>Basis of Preparation prepared to meet requirements. Provided as part the historical data submission.</p> <p>Basis of Preparation prepared to meet requirements. Provided as part the historical data submission.</p>

Requirement	Response
<ul style="list-style-type: none"> (e) explain, in circumstances where the <i>pipeline service</i> provider provides a “NULL” response as an input for a variable: <ul style="list-style-type: none"> (i) why the pipeline service provider believes the variable is not applicable for the pipeline service provider. 	
<p>1.3 Prepare all information required under this <i>notice</i> in a manner and form: Information provided in a manner and form consistent with that outlined.</p> <ul style="list-style-type: none"> (a) that is in accordance with the requirements at Schedules 1, 2 and 3 which: <ul style="list-style-type: none"> (i) is in an electronic format; (ii) includes any underlying calculations and formulae; (iii) is not password protected; (iv) where relevant, allows for precedents and dependents to be traced; and (v) is fully searchable, in text readable format and is capable of text selection and a ‘copy and paste’ function being applied to it (we prefer that all files be provided in Microsoft Word or PDF; templates must be in Microsoft Excel) and (b) that is readily available for inspection by, or submission to, the <i>AER</i>. 	
<p>1.4 Prepare, using a person(s) who satisfies the requirements of paragraph 2 of Appendix C, an <i>audit opinion report</i> and <i>review conclusion statement(s)</i> (as applicable) in accordance with the requirements of this <i>notice</i>.</p>	
<h2>2. Maintain Information</h2>	
<p>2.1 The <i>pipeline service provider</i> must maintain all information prepared under this Schedule 4, for at least 7 years from the date of the submission.</p>	<p>Noted. Will be compliant with this requirement.</p>