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# AusNet Gas Services Pty Ltd

## Gas Access Arrangement Regulatory Information Notice 2018-21 Regulatory Years

### Basis of Preparation

## Overview

This Basis of Preparation (“**BoP**”) document supports the preparation and reporting of the data presented in AusNet Gas Services Pty Limited’s (“**AusNet Gas Services**” or “**the Company**”) reports entitled ‘AusNet Gas Services 2024-2028 Reset RIN workbook 2 Historical - Consolidated’, ‘AusNet Gas Services 2024-2028 Reset RIN workbook 2 Historical - Actual’, ‘AusNet Gas Services 2024-2028 Reset RIN workbook 2 Historical - Estimated’ and ‘AusNet Gas Services 2024-2028 Reset RIN workbook 2 Historical – Public version’ (“**the Reports**”).

The Reports have been prepared in accordance with the ‘Regulatory Information Notice issued under section Division 4 of Part 1 of Chapter 2 of the *National Gas (Victoria) Law*’ (“**RIN**”) issued by the Australian Energy Regulator (“**AER**”) on 8 March 2022.

AusNet Gas Services’ regulatory year is the period 1 January to 31 December (“**Regulatory year**”). Data included in the reports have been provided for the 2018-2022 regulatory years. The data presented for the 2018-2021 regulatory years is historical. AusNet Gas Services did not populate the 2022 data in workbook 2 as this forecast information will be reported in Ausnet Gas 2024-2028 - Reset RIN - workbook 1 – forecast file. All financial data is presented in whole Australian dollars, unless otherwise stated in the template. Non-financial data is stated as per the measures specified in the reports. The ultimate Australian parent entity of the company is AusNet Services Limited.

The AusNet Services’ Group (“**the Group**”) owns and operates 3 regulated networks – an electricity distribution network, a gas distribution network and an electricity transmission network, as well as unregulated businesses. Employees of the AusNet Services Group work across the 3 regulated networks and there are shared costs, overheads and other corporate costs that cannot be directly allocated to a particular network. For the regulatory years 2018-2019, these costs are proportioned amongst the Group’s 3 regulated networks, as well as the unregulated businesses, based on a monthly Activity Based Costing (“**ABC**”) survey process. The ABC survey is completed by all cost centre managers and in accordance with the Group’s Cost Allocation Methodology (“**CAM**”). Commencing in the 2020 regulatory year, a new CAM was implemented by the Group. In accordance with the new CAM, monthly ABC surveys were removed, and a new indirect allocation approach was applied.

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

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

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

‘Actual Information’ is defined as information materially dependent on information recorded in historical accounting records or other records used in the normal course of business, and whose presentation is not contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation. Any information or allocation which has been calculated via the ABC survey or indirect cost allocation methodology processes are considered actual information, as this is in accordance with the AER approved CAMs for Electricity Distribution and Electricity Transmission, which apply across the Group.

Financial data is derived from the Audited Statutory Accounts are sourced from the AusNet Gas Services Pty Limited's trial balance which reconciles in aggregate to the audited Special Purpose Financial Report ("SPFR") for the calendar years 2018-21.

AusNet Gas Services adopted the new accounting standard, AASB16 – Leases which broadly changes the treatment of operating leases. Although the adoption date used by the AusNet Services Group was 1 April 2019 being the Group's financial reporting year, AusNet Gas Services adopted this new accounting standard on 1 January 2019 because its financial reporting year for regulatory purposes is a calendar year. This means that AusNet Gas Services disclosed the impact of the new accounting standard effective 1 January 2019.

The preparation methodologies and information sources adopted in the preparation of the Reports are set out through this BoP.

**Contents**

E2. MAINS REPLACEMENT ..... 5

E3. MAINS AUGMENTATION..... 9

E4. METER REPLACEMENT..... 11

E5. NEW CONNECTIONS..... 17

E6. NON-NETWORK EXPENDITURE ..... 22

E10. OVERHEADS EXPENDITURE ..... 23

E12. INFORMATION AND COMMUNICATION TECHNOLOGY ..... 25

E13. OTHER CAPITAL EXPENDITURE ..... 26

APPENDIX A..... 27

## E2. MAINS REPLACEMENT

### List of all projects

Data was sourced from internal capex models that were used to prepare the capex information reported in historical Gas RIN submissions. AusNet Gas Services identified projects from the previous, current and forecast regulatory periods, where the total cumulative capital expenditure over the life of the project was greater than or equal to \$500,000. Although the notice requires that the cumulative spend should be based in real \$June 2023, AusNet Gas Services based its project list using nominal dollars of the regulatory years, with the outcome not material. AusNet Gas Services internally produces a one-year budget at a project level. For the purposes of identifying individually reportable projects greater than \$500,000 which remained open at 31 December 2021, the CY22 budget was used to identify projects that were expected to exceed \$500,000 based on the actual spend to December 2021 and forecast spend for CY22, and therefore required separate disclosure.

As the AER project listing tables allow for the reporting of 50 projects AusNet Gas Services had more than 50 projects that met the criteria for project listing, AusNet Gas Services reported these additional project listings in the 'Additional disclosures' worksheet of workbook 2.

#### Preparation Methodology:

#### E2.1 – CAPEX

##### E2.1.1 - PROACTIVE - BY PROJECT

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur and related party margin expenditure for these regulatory years.
Customer contributions	AusNet Gas Services did not receive any customer contributions for these regulatory years.

##### E2.1.2 - REACTIVE - BY CONNECTION TYPE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER. AusNet Gas Services used percentage allocators provided by subject matter experts to derive the categories of mains and services.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur any related party margin expenditure for these regulatory years.
Customer contributions	AusNet Gas Services did not receive any customer contributions for these regulatory years.

#### E2.2 – VOLUMES

##### E2.2.1 - PROACTIVE - BY CONNECTION TYPE - BY PROJECT

#### A. LOW PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimated	Volume data sourced from Scope of Work documents, and then applying each project's total length to a Calendar year on a pro-rata basis of expenditure data.

##### Preparation Methodology:

AusNet Gas Services sourced the total volume information from its internal scope of work documents. This amount was then split based on capital expenditure incurred in that year divided by the total capital expenditure of the life of the project.

Actual length laid may differ slightly from this length; however, any difference is not expected to be material in nature. This is considered Management's best estimate based on available data analysed by a subject matter expert.

#### B. LOW PRESSURE TO MEDIUM PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

##### Preparation Methodology:

AusNet Gas Services did not provide any mains repex for this category.

#### C. LOW PRESSURE TO LOW PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

##### Preparation Methodology:

AusNet Gas Services did not provide any mains repex for this category.

#### D. MEDIUM PRESSURE TO MEDIUM PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

##### Preparation Methodology:

AusNet Gas Services did not provide any mains repex for this category.

#### E. MEDIUM PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	Volume data sourced from Scope of Work documents, and then applying each project's total length to a Calendar year on a pro-rata basis of expenditure data.

##### Preparation Methodology:

AusNet Gas Services sourced the total volume information from its internal scope of work documents. This amount was then split based on the capital expenditure incurred in that year divided by the total capital expenditure of the life of the project.

Actual length laid may differ slightly from this length; however, any difference is not expected to be material in nature. This is considered Management's best estimate based on available data analysed by a subject matter expert.

## F. HIGH PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

### Preparation Methodology:

AusNet Gas Services did not provide any mains repex for this category.

## E2.2.2 - REACTIVE - BY CONNECTION TYPE

### A. LOW PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

### Preparation Methodology:

Variable	Source and Methodology
Length of mains replaced (km)	AusNet Gas Services did not provide any mains repex for this category.
Number of services replaced	AusNet Gas Services did not provide any services repex for this category.

### B. LOW PRESSURE TO MEDIUM PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

### Preparation Methodology:

Variable	Source and Methodology
Length of mains replaced (km)	AusNet Gas Services did not provide any mains repex for this category.
Number of services replaced	AusNet Gas Services did not provide any services repex for this category.

### C. LOW PRESSURE TO LOW PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	Volume data sourced from SAP system, and then applied to each project's total length to the calendar year on a pro-rata basis of expenditure data.

### Preparation Methodology:

AusNet Gas Services sourced the total volume information from its internal scope of work documents. This amount was then split based on the capital expenditure incurred in that year divided by the total capital expenditure of the life of the project. Two projects GB-0005647 and GB-0010735 are not included in the estimation as the cost associated with these projects is very minimal and will have little impact on the statistics.

Actual length laid may differ slightly from this length; however, any difference is not expected to be material in nature. This is considered Management's best estimate based on available data analysed by a subject matter expert.

Variable	Source and Methodology
Length of mains replaced (km)	Volume data sourced from SAP system, and then applied to each project's total length to a calendar year on a pro-rata basis of expenditure incurred over the life of the project.
Number of services replaced	AusNet have assumed 10 meters of distribution mains per connection. Number of services replaced calculated based on a one-to-one ratio for all components of connection.

### D. MEDIUM PRESSURE TO MEDIUM PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	Volume data sourced from SAP system, and then applied to each project's total length to the calendar year on a pro-rata basis of expenditure data.

Preparation Methodology:

AusNet Gas Services sourced the total volume information from its internal scope of work documents. This amount was then split based on the capital expenditure incurred in that year divided by the total capital expenditure of the life of the project. Two projects GB-0005647 and GB-0010735 are not included in the estimation as the cost associated with these projects is very minimal and will have little impact on the statistics.

Actual length laid may differ slightly from this length; however, any difference is not expected to be material in nature. This is considered Management's best estimate based on available data analysed by a subject matter expert.

Variable	Source and Methodology
Length of mains replaced (km)	Volume data sourced from SAP system, and then applied to each project's total length to a calendar year on a pro-rata basis of expenditure incurred over the life of the project.
Number of services replaced	AusNet have assumed 10 meters of distribution mains per connection. Number of services replaced calculated based on a one-to-one ratio for all components of connection.

E. MEDIUM PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Preparation Methodology:

Variable	Source and Methodology
Length of mains replaced (km)	AusNet Gas Services did not provide any mains repex for this category.
Number of services replaced	AusNet Gas Services did not provide any services repex for this category.

F. HIGH PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	Volume data sourced from SAP system, and then applied to each project's total length to a calendar year on a pro-rata basis of expenditure data.

Preparation Methodology:

AusNet Gas Services sourced the total volume information from its internal scope of work documents. This amount was then split based on the capital expenditure incurred in that year divided by the total capital expenditure of the life of the project. Two projects GB-0005647 and GB-0010735 are not included in the estimation as the cost associated with these projects is very minimal and will have little impact on the statistics.

Actual length laid may differ slightly from this length; however, any difference is not expected to be material in nature. This is considered Management's best estimate based on available data analysed by a subject matter expert.

Variable	Source and Methodology
Length of mains replaced (km)	Volume data sourced from SAP system, and then applied to each project's total length to a calendar year on a pro-rata basis of expenditure incurred over the life of the project.
Number of services replaced	AusNet have assumed 10 meters of distribution mains per connection. Number of services replaced calculated based on a one-to-one ratio for all components of connection.



### E3. MAINS AUGMENTATION

#### List of all projects

Data was sourced from internal capex models that were used to prepare the capex information reported in historical Gas RIN submissions. AusNet Gas Services identified projects from the previous, current and forecast regulatory periods, where the total cumulative capital expenditure over the life of the project is greater than or equal to \$500,000. Although the notice requires that the cumulative spend should be based in real \$June 2023, AusNet Gas Services based its project list using nominal dollars of the regulatory years, with the outcome not material. AusNet Gas Services internally produces a one-year budget at a project level. For the purposes of identifying individually reportable projects greater than \$500,000 which remained open at 31 December 2021, the CY22 budget was used to identify projects that were expected to exceed \$500,000 based on the actual spend to December 2021 and forecast spend for CY22, and therefore required separate disclosure.

#### Preparation Methodology:

##### E3.1 - CAPEX BY PROJECT

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur any related party margin expenditure for these regulatory years.
Customer contributions	AusNet Gas Services did not receive any customer contributions for these regulatory years.

##### E3.2 - VOLUMES - BY PRESSURE TYPE - BY PROJECT

###### A. LOW PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

#### Preparation Methodology:

AusNet Gas Services did not provide an augmentation activity for this category.

###### B. LOW PRESSURE TO MEDIUM PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

#### Preparation Methodology:

AusNet Gas Services did not provide an augmentation activity for this category.

###### C. LOW PRESSURE TO LOW PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

#### Preparation Methodology:

AusNet Gas Services did not provide an augmentation activity for this category.

D. MEDIUM PRESSURE TO MEDIUM PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Preparation Methodology:

AusNet Gas Services did not provide an augmentation activity for this category.

E. MEDIUM PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Preparation Methodology:

AusNet Gas Services did not provide an augmentation activity for this category.

F. HIGH PRESSURE TO HIGH PRESSURE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	Volume data sourced from SAP system, and then applying each project’s total length to a Calendar year on a pro-rata basis of expenditure data.

Preparation Methodology:

AusNet Gas Services sourced the total volume information from its internal scope of work documents. This amount was then split based on the capital expenditure incurred in that year divided by the total capital expenditure of the life of the project.

Actual length laid may differ slightly from this length; however, any difference is not expected to be material in nature. This is considered Management’s best estimate based on available data analysed by a subject matter expert.

## E4. METER REPLACEMENT

### E4.1 – CAPEX

#### E4.1.1 - NEW METERS ACQUIRED

##### Preparation Methodology:

AusNet Gas Services purchases residential and industrial and commercial meters from two main external vendors. Meters are receipted into inventory upon delivery and issued to a job order when installed. For the purposes of this table, AusNet Gas Services reported the material costs associated with meters issued (i.e., recorded within capex) per the financial system. Data reported does not include meters purchased which have not yet been issued to a job (i.e., inventory).

It is noted that data reported in the 2020 and 2021 regulatory years included an adjustment of \$2.0M and \$1.1M respectively which increased new meters acquired expenditure resulting from an inventory reconciliation. These adjustments mainly impacted industrial and commercial meters issued. While the adjustments were recorded in 2020 and 2021 in the financial system, they related to previous historical years.

AusNet Gas Services uses master data codes (work codes) in its system to identify the meters that are residential or industrial and commercial. Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. Stock issuing reports run and extracted from Hansen Hub monthly and are used to assist in verifying and reconciling meter movements to the SAP financial system.

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct internal labour expenditure	AusNet Gas Services did not incur any direct internal labour expenditure for these regulatory years.
Direct contractor expenditure	AusNet Gas Services did not incur any direct contractor expenditure for these regulatory years.
Direct material expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  AusNet Gas Services' total meter material costs include those, for meters acquired and refurbished. To arrive at the material costs for meters acquired, AusNet Gas Services deducted the calculated cost (actual information) of refurbished meters from the total meter material costs sourced from capex models that supported capex financial information reported in historical RIN submissions.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur any related party margin expenditure for these regulatory years.
Customer contributions	AusNet Gas Services did not receive any customer contributions for these regulatory years.

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	An estimate is required for Other Direct Expenditure because AusNet Gas Services does not capture the split of other direct expenditure between Residential, Industrial and Commercial, and other, nor is such expenditure split between new meters acquired, meter refurbishment and meter installation.

Variable	Source and Methodology
Other direct expenditure	Total actual capitalised overheads have been allocated pro-rata in accordance with the proportion of Direct Cost categories and the respective split of residential, industrial, and commercial and other. This

Variable	Source and Methodology
	basis is considered appropriate given that the other direct categories are expected to drive overall activity levels and hence overheads incurred.

#### E4.1.2 - METER REFURBISHMENT

##### Preparation Methodology:

AusNet Gas Services inspects meters when they are taken out of operation from the network. Based on the results of the inspection, meters that are of a type and condition that can be refurbished are outsourced to an external vendor for refurbishment.

Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. Stock issuing reports are extracted from Hansen Hub monthly and are used to identify those meters which have been removed from service.

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct internal labour expenditure	AusNet Gas Services did not incur any direct internal labour expenditure for these regulatory years.
Direct contractor expenditure	AusNet Gas Services did not incur any direct contractor expenditure for these regulatory years.
Direct material expenditure	AusNet Gas Services extracted historical purchase order data using a vendor who provides meter refurbishment services, by year from its financial systems and calculated a weighted average unit rate of residential and industrial and commercial meters by year. This unit rate was multiplied by the volume information reported in table E4.2.2 - Number of meters refurbished (A. Refurbishable meters removed) to report the capital expenditure for meter refurbishments. The purchase order data contains the AusNet Gas Services' internal meter stock code, which was used to categorise the meters into residential and industrial and commercial.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur any related party margin expenditure for these regulatory years.
Customer contributions	AusNet Gas Services did not receive any customer contributions for these regulatory years.

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	An estimate is required for Other Direct Expenditure because AusNet Gas Services does not capture the split of other direct expenditure between Residential, Industrial and Commercial, and other, nor is such expenditure split between new meters acquired, meter refurbishment and meter installation.

Variable	Source and Methodology
Other direct expenditure	Total actual capitalised overheads have been allocated pro-rata in accordance with the proportion of Direct Cost categories and the respective split of residential, industrial, and commercial and other. This basis is considered appropriate given that the other direct categories are expected to drive overall activity levels and hence overheads incurred.

#### E4.1.3 - METER INSTALLATION

##### Preparation Methodology:

This section reflects the costs of installing meters at the customers premises.

Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. Stock issuing reports are run and extracted from Hansen Hub monthly. These are used to assist in verifying those meters which have been installed into service.

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct internal labour expenditure	AusNet Gas Services did not incur any direct internal labour expenditure for these regulatory years.
Direct contractor expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Direct material expenditure	In accordance with section 2.7 (b) of the Notice, the cost of meters is excluded from meter installation costs.

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	An estimate is required for Other Direct Expenditure because AusNet Gas Services does not capture the split of other direct expenditure between Residential, Industrial and Commercial, and other, nor is such expenditure split between new meters acquired, meter refurbishment and meter installation.

Variable	Source and Methodology
Other direct expenditure	Total actual capitalised overheads have been allocated pro-rata in accordance with the proportion of Direct Cost categories and the respective split of residential, industrial, and commercial and other. This basis is considered appropriate given that the other direct categories are expected to drive overall activity levels and hence overheads incurred.

#### E4.1.4 - OTHER METER REPLACEMENT CAPEX

##### Preparation Methodology:

This section reflects the miscellaneous costs associated with the provision meter replacement services.

Meter populations and types including installation and removal dates are maintained and stored in the Hansen Hub customer information system. Stock issuing reports are extracted from Hansen Hub monthly and are used to assist in verifying those meters which have been removed, exchanged or upgraded due to faults or other reasons.

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct internal labour expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER and reflects internal labour of employees supporting meter replacement services.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Direct contractor expenditure	AusNet Gas Services did not incur any direct contractor expenditure for these regulatory years.
Direct material expenditure	AusNet Gas Services did not incur any direct material expenditure for these regulatory years.
Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN

Variable	Source and Methodology
	<p>submissions to the AER and reflects miscellaneous costs supporting meter replacement services.</p> <p>Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.</p>

## E4.2 – VOLUMES

### E4.2.1 - NUMBER OF NEW METERS ACQUIRED

#### Preparation Methodology:

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Residential	New meters are acquired based on a rolling 12 monthly forecast. The forecast considers the number of meters required to fulfill connection and meter replacement operations. An initial purchase order is generated 6 months in advance to secure new meter stock, 6 months in advance. The meter volumes are receipted into SAP based delivery notes from suppliers. The volume of meters by meter type receipted into SAP via delivery notes has been collated and used to derive the numbers of meters by meter type procured during the RIN period.
Industrial and Commercial	New meters are acquired based on a rolling 12 monthly forecast. The forecast considers the number of meters required to fulfill connection and meter replacement operations. An initial purchase order is generated 6 months in advance to secure new meter stock, 6 months in advance.. The meter volumes are receipted into SAP based delivery notes from suppliers. The volume of meters by meter type receipted into SAP via delivery notes has been collated and used to derive the numbers of meters by meter type procured during the RIN period.
Other	AusNet Gas Services did report any meters that meet this criterion.

### E4.2.2 - NUMBER OF METERS REFURBISHED

#### Preparation Methodology

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology	
Refurbishable meters removed	Residential	Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. A report titled, "Stock issuing report", is run from Hansen Hub monthly and is used to identify those meters which have been removed from service. On removal the meters are sorted into respective meter types with those meter types eligible for refurbishment issued to the refurbishment services provider whilst meters not suitable for refurbishment are collated and scrapped via a salvage agent. Meters eligible for refurbishment are determined by meter type and age profile. The Hansen system is updated to reflect the status of meters being returned into service, or scrapped
	Industrial and Commercial	The same methodology is used for I & C meters as for domestic as described above.
	Other	AusNet Gas Services did report any meters that meet this criterion.

Variable	Source and Methodology	
Meters decommissioned	Residential	Meter populations and types including installation and removal dates are maintained and stored into the

Variable	Source and Methodology	
		Hansen Hub customer information system. A report titled, "Stock issuing report", is run from Hansen Hub monthly and is used to identify those meters which have been decommissioned and not returned into store. Meters are sorted into respective meter types with those meter types eligible for refurbishment issued to the refurbishment services provider whilst meters not suitable for refurbishment are collated and scrapped. Meters eligible for refurbishment are determined by meter type and age profile. The Hansen system is updated to reflect the status of meters being returned into service, or scrapped
	Industrial and Commercial	The same methodology is used for I & C meters as for domestic as described above.
	Other	AusNet Gas Services did report any meters that meet this criterion.

#### E4.2.3 - NUMBER OF METERS INSTALLED

##### Preparation Methodology

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Residential	Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. A report titled, "Stock issuing report", is run from Hansen Hub monthly and is used to identify those meters which have been installed into service. Meters in Hansen are identified by meter type and allocated "domestic", Commercial" or industrial" status to assist in identifying meters by particular class.
Industrial and Commercial	Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. A report titled, "Stock issuing report", is run from Hansen Hub monthly and is used to identify those meters which have been installed into service. Meters in Hansen are identified by meter type and allocated "domestic", Commercial" or industrial" status to assist in identifying meters by particular class.
Other	AusNet Gas Services did report any meters that meet this criterion.

#### E4.2.4 - NUMBER OF METERS REMOVED / DECOMMISSIONED

##### Preparation Methodology

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Residential	Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. A report titled, "Stock issuing report", is run from Hansen Hub monthly and is used to identify those meters which have been installed into service. Meters in Hansen are identified by meter type and allocated "domestic", Commercial" or industrial" status to assist in identifying meters by type and by particular class.
Industrial and Commercial	Meter populations and types including installation and removal dates are maintained and stored into the Hansen Hub customer information system. A report titled, "Stock issuing report", is run from Hansen Hub monthly and is used to identify those meters which have been installed into service. Meters in Hansen are identified by meter type and allocated "domestic", Commercial" or industrial" status to assist in identifying meters by type and by particular class.
Other	AusNet Gas Services did report any meters that meet this criterion.

E4.2.5 - OTHER METER REPLACEMENT VOLUMES

Preparation Methodology

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Residential	AusNet Gas Services did not have any volumes associated with this variable.
Industrial and Commercial	AusNet Gas Services did not have any volumes associated with this variable.
Other	AusNet Gas Services did not have any volumes associated with this variable.



## E5. NEW CONNECTIONS

### E5.1 – EXPENDITURE

#### E5.1.1 - CAPEX - BY CONNECTION TYPE

##### Preparation Methodology:

##### (i) ELECTRICITY TO GAS

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	Based on Management’s expertise and knowledge of the network, the expectation of customers changing from Electricity to Gas connections, is negligible. Such information is not recorded in its systems. This is Management’s best estimate.

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure Related party margin expenditure Customer contributions	As AusNet Gas Services considered Electricity to Gas connections as being negligible, a null value is reported in this table.

##### (ii) NEW HOMES & (iii) NEW MEDIUM DENSITY / HIGH RISE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	As data for new homes and new medium density / high rise is not available because AusNet Gas Services does not capture the split of such information. As a result, AusNet Gas Services applied the forecast percentages of 75% for new homes and 25% for new medium density / high rise capex spend to the actual aggregate costs incurred as described below.

Estimated information – split 75% for new homes and 25% for new medium density / high rise capex spend.

AusNet Gas Services are forecasting for its next Gas Access Arrangement period, an average of 20,420 new residential customers per year (gross) over the 2023-28 period and a net volume of 17,269 customers per year. This means that an average of 3151 customers disconnect from our network each year.

A subject matter expert assumed that of these 3151 disconnections, 30% would no longer use Gas altogether and the remaining 70% were being rebuilt whether that be single houses, duplex, apartments, or townhouses. In addition, the subject matter expert of AusNet Gas Services also assumed that on average, each previous customer would be replaced with 2.5 new customers (residential connections, not commercial).

- $3151 * 0.7 * 2.5 = 5,514$  brownfield connections per year.
- $5514 / 20,420 = 27\%$  brownfield connections.

AusNet Gas Services rounded this down to an assumption that 25% of the connections were “medium density” – such as 3 town houses on a lot. The remaining 75% were “new homes” whether that be in new estates, or just a single house knocked down to be rebuilt with a more modern house.

AusNet Gas Services considered the use of the forecast percentages of 75% for new homes and 25% for new medium density / high rise used in its forecast GAAR submission as a reasonable profile to apply to historical new homes and new medium density / high rise connection capital expenditure given the lack of change in profile.

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER. AusNet Gas Services applied the estimated percentages, 75% for new homes and 25% for new medium

Variable	Source and Methodology
	<p>density / high rise capex spend as described above. to allocate the capex costs between new homes and new medium density / high rise categories.</p> <p>AusNet Gas Services used percentage allocators provided by subject matter experts and applied these to new homes and new medium density / high rise to report the capex costs into the categories of mains, services and meters.</p> <p>Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.</p>

Variable	Source and Methodology
Related party margin expenditure	AusNet Gas Services did not incur any related party margin expenditure for these regulatory years.

Variable	Source and Methodology
Customer contributions	<p>Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER. AusNet Gas Services applied the estimated percentages, 75% for new homes and 25% for new medium density / high rise capex spend as described above. to allocate the capex costs between new homes and new medium density / high rise categories.</p> <p>AusNet Gas Services then used percentage allocators provided by subject matter experts and applied these to new homes and new medium density / high rise to report the capex costs into the categories of mains, services and meters.</p> <p>AusNet Gas Services used percentages provided by subject matter experts into the Lara (18%) and Parwan City (18%) projects. These percentages are consistent with capex models that support the previously submitted RINs. The amounts reported in this tables reflects mainly the Supply Regulators / Valve Stations portion of the projects. The remaining portion of the customer contributions for Lara and Parwan City projects are included on the Other Capex template.</p> <p>Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.</p>

(iv) INDUSTRIAL & COMMERCIAL TARIFF & (v) INDUSTRIAL & COMMERCIAL CONTRACT

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	<p>Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.</p> <p>Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.</p>

Variable	Source and Methodology
Related party margin expenditure	AusNet Gas Services did not incur any related party margin expenditure for these regulatory years.

Variable	Source and Methodology
Customer contributions	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.

## E5.2 - UNIT RATES

### E5.2.1 - UNIT RATES - PER CONNECTION - BY CONNECTION TYPE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	This information is estimated because the denominator used in this calculation, volumes - per connection - by connection type, is estimated.

The unit rate is a calculation by dividing the capital expenditure reported in tables contained in 'E5.1.1 - Capex - By Connection Type' by the volumes reported in E5.3.2 - Volumes - per connection - by connection type. This calculation is supported by email advice from the AER.

## E5.3 - VOLUMES

### E5.3.2 - VOLUMES - PER CONNECTION - BY CONNECTION TYPE

#### A. ELECTRICITY TO GAS

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	There was no available data for "Electricity to gas" therefore connections capex was assumed as zero.

Variable	Source and Methodology
Distribution mains (metres per connection)	There was no available data for "Electricity to gas" therefore connections capex was assumed as zero.
Inlet service pipes	There was no available data for "Electricity to gas" therefore connections capex was assumed as zero.
Meters	There was no available data for "Electricity to gas" therefore connections capex was assumed as zero.

#### B. NEW HOMES

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimated	Data calculated based on a one-to-one ratio for all components of connection, consistent with unit rate calculations.

Variable	Source and Methodology
Distribution mains (metres per connection)	AusNet have assumed 10 meters of distribution mains per connection.
Inlet service pipes	Data calculated based on a one-to-one ratio for all components of connection.
Meters	Data calculated based on a one-to-one ratio for all components of connection

#### C. NEW MEDIUM DENSITY / HIGH RISE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimated	Data calculated based on a one-to-one ratio for all components of connection, consistent with unit rate calculations.

Variable	Source and Methodology
Distribution mains (metres per connection)	AusNet have assumed 3 metres of distribution mains per connection.
Inlet service pipes	Data calculated based on a one-to-one ratio for all components of connection
Meters	Data calculated based on a one-to-one ratio for all components of connection

#### D. INDUSTRIAL & COMMERCIAL TARIFF

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimated	Data calculated based on a one-to-one ratio for all components of connection, consistent with unit rate calculations.

Variable	Source and Methodology
Distribution mains (metres per connection)	AusNet have assumed 25 metres of distribution mains per connection.
Inlet service pipes	Data calculated based on a one-to-one ratio for all components of connection
Meters	Data calculated based on a one-to-one ratio for all components of connection

#### E. INDUSTRIAL & COMMERCIAL CONTRACT

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimated	Data calculated based on a one-to-one ratio for all components of connection, consistent with unit rate calculations.

Variable	Source and Methodology
Distribution mains (metres per connection)	AusNet have assumed 25 metres of distribution mains per connection.
Inlet service pipes	Data calculated based on a one-to-one ratio for all components of connection
Meters	Data calculated based on a one-to-one ratio for all components of connection

#### E5.4 - CAPITAL CONTRIBUTIONS

##### E5.4.1 - VALUE OF CAPITAL CONTRIBUTIONS - BY CONNECTION TYPE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	<p>Only the new homes and new medium density / high rise categories in this variable are estimated information because of the allocation assumptions applied in the split between new homes and new medium density / high rise categories.</p> <p>The Industrial &amp; commercial tariff and Industrial &amp; commercial contract categories in this variable is actual information.</p>

Information reported in this table is sourced from the capital contributions reported in the E5.1.1 - Capex - By Connection Type section of this template.

##### E5.4.2 - NUMBER OF CAPITAL CONTRIBUTIONS - BY CONNECTION TYPE

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Estimate	Only the new homes and new medium density / high rise categories in this variable are estimated information because of the allocation assumptions applied in the split

Period	Type	Information	Assumption – Estimated Information
			<p>between new homes and new medium density / high rise categories.</p> <p>The Industrial &amp; commercial tariff and Industrial &amp; commercial contract categories in this variable is actual information.</p>

Capital contributions are sourced from the financial system of AusNet Gas Services. The amounts reported is assumed to be the sum of the net financial transactions recorded in the project that received the customer contribution.

## E6. NON-NETWORK EXPENDITURE

### E6.5 – TELEMETRY

This template reflects the capital expenditure spend on SCADA assets.

#### List of all projects

Data was sourced from internal capex models that were used to prepare capex information reported in historical Gas RIN submissions. AusNet Gas Services identified projects from the previous, current and forecast regulatory periods, where the total cumulative capital expenditure over the life of the project is greater than or equal to \$500,000. Although the notice requires that the cumulative spend should be based in real \$June 2023, AusNet Gas Services based its project list using nominal dollars of the regulatory years, with the outcome not material. AusNet Gas Services internally produces a one-year budget at a project level. For the purposes of identifying individually reportable projects greater than \$500,000 which remained open at 31 December 2021, the CY22 budget was used to identify projects that were expected to exceed \$500,000 based on the actual spend to December 2021 and forecast spend for CY22, and therefore required separate disclosure.

There were no Telemetry type projects that had cumulative capex spend that were greater than or equal to \$500,000 during the 2018-2021 historical reporting periods or the forecast.

#### E6.5.1 - CAPEX - BY PROJECT

##### Preparation Methodology:

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur and related party margin expenditure for these regulatory years.
Customer contributions	AusNet Gas Services did not receive any customer contributions for these regulatory years.

## E10. OVERHEADS EXPENDITURE

Overhead Expenditure is expenditure that cannot be directly attributed to a work activity, project or work order and consists of labour, materials, contract costs and other costs. Overhead Expenditure has been disaggregated as Network Overheads and Corporate Overheads.

Network Overhead costs refer to the provision of management services and other related operational, network planning, asset management and compliance functions that cannot be directly associated with any specific operational activity (such as routine maintenance, vegetation management, etc.). Network Overhead includes expenditure for Network Management, Network Planning, Network Control & Operational Switching, Quality and Standard Functions, Project Governance & Related Functions and Other network operating costs.

Corporate Overhead Expenditure refers to the provision of corporate support and management services by the corporate office that cannot be directly identified with specific operational activity. Corporate overhead costs include those for executive management, legal and secretariat, human resources, finance, Non-network IT support costs and regulatory costs.

Capitalised overhead (reported under Capex) is overhead expenditure recognised as part of the cost of an asset, i.e., as capital expenditure. AusNet Electricity Services capitalises Overhead expenditure that is directly attributable to bringing an asset to its intended in-service state. Capitalised overheads were allocated into Network and Corporate Overheads based on its ABC survey or indirect cost allocation methodology process undertaken in accordance with the cost allocation methodology (CAM).

Capitalised Overheads reported are on a Gross Basis (i.e. not net of Customer Contributions).

It is noted that Capitalised Overheads are also reported throughout the Reports within 'Other Direct Costs' categorisation.

### E10.1 – NETWORK

#### Preparation Methodology:

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

#### E10.1.1 – OPEX

#### E10.1.2 - CAPEX

Variable	Source and Methodology
Reference services	This data was ultimately sourced from the SAP financial system and categorised into Network and Corporate overheads and into service classifications. Note: overheads are sourced directly from capex and opex information that supported capex and opex financial information reported in historical RIN submissions to the AER.
Non-Reference Services	This data was ultimately sourced from the SAP financial system and categorised into Network and Corporate overheads and into service classifications. Note: overheads are sourced directly from capex and opex information that supported capex and opex financial information reported in historical RIN submissions to the AER.

### E10.2 – CORPORATE

#### Preparation Methodology:

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

#### E10.2.1 – OPEX

#### E10.2.2 – CAPEX

Variable	Source and Methodology
Reference services	This data was ultimately sourced from the SAP financial system. The information was already classified into Network and Corporate overheads and into service classifications.
Non-Reference Services	AusNet Gas Services did not incur and non-reference service costs.



## E12. INFORMATION AND COMMUNICATION TECHNOLOGY

This template reflects the capital expenditure spend on information and communication technology assets.

### List of all projects

Data was sourced from internal capex models that were used to prepare the capex information reported in historical Gas RIN submissions. AusNet Gas Services identified projects from the previous, current and forecast regulatory periods, where the total cumulative capital expenditure over the life of the project is greater than or equal to \$500,000. Although the notice requires that the cumulative spend should be based in real \$June 2023, AusNet Gas Services based its project list using nominal dollars of the regulatory years, with the outcome not material. AusNet Gas Services internally produces a one-year budget at a project level. For the purposes of identifying individually reportable projects greater than \$500,000 which remained open at 31 December 2021, the CY22 budget was used to identify projects that were expected to exceed \$500,000 based on the actual spend to December 2021 and forecast spend for CY22, and therefore required separate disclosure.

As the AER project listing tables allow for the reporting of 15 projects AusNet Gas Services had more than 15 projects that met the criteria for project listing, AusNet Gas Services reported these additional project listings in the 'Additional disclosures' worksheet of workbook 2.

#### E12.1 - CAPEX - BY PROJECT

##### Preparation Methodology:

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur and related party margin expenditure for these regulatory years.
Customer contributions	AusNet Gas Services did not receive any customer contributions for these regulatory years.

## E13. OTHER CAPITAL EXPENDITURE

This template reflects the other capital expenditure on other assets that do not form part of the other asset templates listed in the AER's workbook.

### List of all projects

Data was sourced from internal capex models that were used to prepare capex information reported in historical Gas RIN submissions. AusNet Gas Services identified projects from the previous, current and forecast regulatory periods, where the total cumulative capital expenditure over the life of the project is greater than or equal to \$500,000. Although the notice requires that the cumulative spend should be based in real \$June 2023, AusNet Gas Services based its project list using nominal dollars of the regulatory years, with the outcome not material. AusNet Gas Services internally produces a one-year budget at a project level. For the purposes of identifying individually reportable projects greater than \$500,000 which remained open at 31 December 2021, the CY22 budget was used to identify projects that were expected to exceed \$500,000 based on the actual spend to December 2021 and forecast spend for CY22, and therefore required separate disclosure.

#### E13.1 - CAPEX - BY PROJECT

Preparation Methodology:

Period	Type	Information	Assumption – Estimated Information
2018-2021	Public	Actual	N/A

Variable	Source and Methodology
Direct Internal labour expenditure Direct contractor expenditure Direct material expenditure Other direct expenditure	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  Refer to Appendix A1 and A2 for the cost collection process and the description of the table variables.
Related party margin expenditure	AusNet Gas Services did not incur and related party margin expenditure for these regulatory years.
Customer contributions	Information reported against this variable was sourced from capex models that supported capex financial information reported in historical RIN submissions to the AER.  AusNet Gas Services used percentages provided by subject matter experts into the Lara (82%) and Parwan City (82%) projects. These percentages are consistent with capex models that support the previously submitted RINs. The amounts reported in this table reflects mainly the Supply Regulators / Valve Stations portion of the projects. The remaining portion of the customer contributions for Lara and Parwan City projects are included in the Connections template.

## APPENDIX A

### A1. Cost Collection Process – (2018 to 2021)

AusNet Gas Services uses ERP system (SAP) functionality to capture costs at the micro and macro levels. Work Orders and Network Orders are used to capture costs at the micro level which then cascade up to Work Breakdown Structures (**WBS**) and ultimately to Project codes.

The Project master data structure contains key master data coding that enables the categorisation of capex costs into –

1. The AER defined templates e.g., New Connections, Mains Repex, Mains Augex.
2. The tables contained in each of the templates e.g., Mains Repex Proactive or Reactive.
3. The cost types e.g., Labour, Contract, Materials, Other, Overheads, Customer Contributions, etc.

Standard SAP reports and data extraction tools are used to extract raw capex data that contains information to enable the reporting into the regulatory categories defined in the templates.

Where master data did not provide further categorisation required by the AER templates and tables, e.g., reporting Mains Repex - reactive into Mains and Services or Connection capex into Mains, Services and Meters, subject matter experts provided the necessary apportionment methodology to allocate costs into such categories.

Capital expenditure that is directly attributable to the Gas Network, is recorded directly to AusNet Gas Services. Any shared costs (including capitalised overheads and some IT capex projects) are allocated across the Group entities using the CAM process.

### A2. Table variables - (2018 to 2021)

Direct Internal labour expenditure:

Employees who work directly on AusNet Gas Services capex projects, time sheet to the activities on which they work. Internal labour hours are captured into SAP. Labour rates are setup in SAP and used to calculate the cost of internal labour for each project. The labour rate represents employee's total cost of remuneration and based on employee skillsets. The resulting labour costs are posted to orders for a project, facilitating the reporting of these costs into the appropriate tables within the templates.

Contractor expenditure:

Work orders and purchase orders are issued from SAP to subcontractors to carryout work on behalf of AusNet Gas Services. The subcontractors provide information chargeable work on which they worked, with their costs directly recorded against the relevant order facilitating the reporting of these costs into the appropriate tables within the templates.

Direct material expenditure:

These costs represent materials issued from inventory and externally purchased that are used directly in the construction of a Gas project. Costs are recorded against the relevant order facilitating the reporting of these costs into the appropriate tables within the templates.

Other Direct Expenditure:

These are items such as consultancy, travel and vehicle utilisation recoveries and miscellaneous consumables applicable to the project. These costs are collected against the relevant order facilitating the reporting of these costs into the appropriate tables within the templates. AusNet Gas Services also included Capitalised Overheads in Other Direct Expenditure reported.

Related party margin expenditure:

During 2018-2021 AusNet Gas Services engaged two related party entities, Mondo Pty Ltd and Zinfra Pty Ltd for the provision of services. Mondo Pty Ltd is an entity that is part of the AusNet Group and does apply any margins to the costs charged to AusNet Gas Services. Zinfra Pty Ltd provided services to AusNet Gas Services during the 2018 regulatory year. AusNet Gas Services does not have any margin information available from Zinfra Pty Ltd. Therefore, in the absence of such information to the contrary, it has been assumed that the 2018 related party services were at cost. This is consistent with assumptions made in the 2011-2019 AusNet Gas Services RIN and basis of preparation submissions to the AER.

Capital contributions:

Capital contributions are recorded in the financial systems of AusNet Gas Services and reflect an agreed portion that the customer contributes to the construction costs of a project. Project codes are recorded against the capital contribution financial transaction, facilitating the reporting of these contributions into the appropriate tables within the templates.