

# **Australian Gas Networks (Victorian and Albury Network)**

## **Annual Regulatory Information Notice 2020**

### **Basis of Preparation**

April 2021

# Contents

|   |    |
|---|----|
| <b>Overview</b>   | 4  |
| <b>E1. Expenditure Summary</b>                              | 6  |
| E1.1 – Capex  | 6  |
| E1.2 – Opex   | 14 |
| E1.3 – Capcons  | 23 |
| E1.4 - Capitalised Overheads                                | 26 |
| <b>E11. Labour</b>  | 29 |
| E11.3 Labour/Non-Labour Expenditure Split                   | 29 |
| <b>E21. Ancillary Reference Services (ARS)</b>              | 40 |
| E21.1 – Volumes   | 40 |
| E21.2 – Expenditure   | 46 |
| <b>N1. Demand</b>   | 49 |
| N1.1 – Demand – by Customer Type                            | 49 |
| N1.2 – Demand – by Tariff                                   | 50 |
| <b>N2. Network Characteristics</b>                          | 51 |
| N2.1 – Network Length – by Pressure and Asset Type          | 51 |
| N2.2 – City Gates/Regulators                                | 52 |
| <b>S1. Customer Numbers</b>                                 | 54 |
| S1.1 – Customer Numbers – by Customer Type                  | 54 |
| S1.2 - Customer Numbers – by Tariff                         | 56 |
| <b>S10. Network Quality</b>                                 | 60 |
| S10.1 – Pressure Faults                                     | 60 |
| <b>S11. Network Reliability</b>                             | 62 |
| S11.1 – Network Outages                                     | 62 |
| S11.2 – Leaks – by Asset Type and Cause of Leak             | 65 |
| S11.3 – Unaccounted for Gas – Transmission and Distribution | 66 |
| <b>S14. Network Integrity</b>                               | 68 |
| S14.1 – Loss of Containment                                 | 68 |
| S14.2 – Instances of Damage                                 | 69 |
| <b>F1. Income</b>   | 70 |
| F1.1 – Audited Statutory Accounts                           | 70 |
| F1.2 – Adjustments  | 77 |
| F1.3 – Distribution Business                                | 83 |

|  |     |
|--|-----|
| <b>F2. Capex</b>   | 89  |
| F2.4 – Capex by Asset Class  | 89  |
| F2.5 - Capital Contributions by Asset Class  | 95  |
| F2.6 – Disposals by Asset Class  | 97  |
| F2.7 – Immediate Expensing Capex   | 98  |
| <b>F3. Revenue</b>   | 100 |
| F3.1 – Reference Services  | 100 |
| F3.2 – Ancillary Reference Services  | 100 |
| F3.4 – Non-Reference Services  | 106 |
| F3.5 – Total Revenue   | 107 |
| F3.6 – Rewards and Penalties from Incentive Schemes  | 108 |
| <b>F4. Opex</b>  | 109 |
| F4.1 – Opex - by Purpose   | 109 |
| <b>F6. Related Party Transactions</b>  | 121 |
| F6.1 – Payments Greater than \$1,000,000 made to Related Party   | 121 |
| F6.1.1 – Expenditure   | 121 |
| F6.2 – Payments Greater than \$1,000,000 received from Related Party   | 122 |
| F6.3 – Related Party Margin Expenditure – by Category  | 123 |
| F6.4 – Percentage of Capex Outsourced to Related Party   | 124 |
| F6.5 – Percentage of Opex Outsourced to Related Party  | 125 |
| <b>F7. Provisions</b>  | 126 |
| <b>F9. Pass Through</b>  | 131 |
| F9.1 - Pass Through Event Expenditure  | 131 |
| <b>F10. Assets</b>   | 132 |
| F10.1 – Capital Base Values  | 132 |
| <b>Appendix A: Cost Collection and Reporting Process - Capex</b>   | 133 |
| <b>Appendix B: Cost Collection and Reporting Process - Opex</b>  | 136 |
| <b>Appendix C: Overhead Expenditure</b>  | 139 |
| <b>Appendix D: Related Party Transactions and Margins</b>  | 141 |
| <b>Appendix E: Regulatory accounting policy and other adjustments</b>  | 142 |
| <b>Appendix F: Reconciliations for Adjustments between Audited Statutory Accounts and amounts reported for the consolidated AGN Victoria and AGN Albury Distribution Businesses (2020)</b> | 146 |

## Overview

The Australian Energy Regulator (AER) released the Annual Regulatory Information Notice (RIN) for Australian Gas Networks (AGN) Victorian and Albury gas distribution networks on 2 March 2020 under Section 46 of National Gas Law (NGL), which requires AGN Victoria and Albury to provide the information and prepare and maintain the information in the manner and form specified in the RIN.

The Variation to the RIN issued by the AER on 22 September 2020 requires AGN Victoria and Albury to submit the information to the AER on or before 5 pm Australian Eastern Standard Time on the following dates:

- 30 April 2021 - Workbook 2 – Annual Performance Data CY2020.

## Basis of Preparation

In accordance with the requirements of Section 1.2 of Schedule 2 of the RIN, AGN is required to prepare a Basis of Preparation, which must for all information:

- demonstrate how the information provided is consistent with the requirements of the RIN;
- explain the source from which AGN used to provide the information;
- explain the methodology AGN has applied to provide the required information, including any assumptions AGN has made;
- explain where actual information could not be provided and explain why the estimate was required and the basis for the estimate; and
- explain, in circumstances where the pipeline service provider provides a 'Null' response as an input for a variable, why AGN believes the variable is not applicable.

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

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

Historical financial information reported by AGN, unless otherwise stated, is expressed in nominal dollars.

## E1. Expenditure Summary

### E1.1 – Capex

#### E1.1.1 – Reference Services

| Variable    | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------|---|-------------------|------------------------------|---------------------|
| 2020        | <p><i>Refer to Appendices A and C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex and Overheads expenditure as presented below. These systems and processes provide the necessary level of detail required for AGN Limited to report against the categories and sub-categories of Capex and Overheads shown in the RIN templates.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from Capex for regulatory purposes, and in relation to AGN Limited's policies and processes for cost allocation.</i></p> <p><i>The amounts of Capex reported in this table have been sourced from the Capex Data Model provided by APA and have been reconciled to the SAP General Ledger and movements in the Fixed Assets Registers that are maintained for AGN Victoria and AGN Albury.</i></p> <p><i>Capex in this table is consolidated for Victoria and Albury, consistent with the "consolidated access arrangement" for AGN Victoria and Albury which provides for consolidated reporting of approved and actual revenues and expenditure other than for Capex by Asset Class which is reported separately for Victoria and Albury in the tables contained within F2. Capex.</i></p> |                   |                              |                     |
| Connections | <p>Capex reported as Connections relates to expenditure on connections established or to be established, in accordance with Part 12A of the NGR and applicable energy laws, where there is no existing connection. Connection means a physical link between the gas distribution network and a retail customer's premises to allow the flow of natural gas.</p> <p>Any activities that relate to extending the network to connect a new customer, has been treated as Connections and not as Augmentation.</p>  | Actual            |                              |                     |

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
|          | <p>Augmentation expenditure has been identified as activities related to increasing the size or capacity of the pipeline.</p> <p>Supply Mains projects have been treated as Connections expenditure because they are not increasing the size or capacity of the pipeline upstream of the new connection.</p> <p>Capex reported for Connections has been identified with reference to the expenditure captured in APA's Oracle finance system against relevant "Development" activity codes. Activity codes include General Mains, Inlets, Meters Domestic, Meters I&amp;C and I&amp;C&gt;10TJ, Large Consumers, Growth Supply Mains, Supply Mains and Reticulation. This would cover all connection types including Electricity to Gas, New Homes, New Medium Density High Rise and I&amp;C Tariff and Contract. In addition to major projects that relate to supply mains and growth infill areas.</p> <p>Refer to Appendix E for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types:</p> <ul style="list-style-type: none"> <li>• "Marketing Rebates" for expenditure consistently treated as Opex for regulatory purposes and Capex for statutory accounting purposes, from 1 January 2016.</li> </ul> |                   |                              |                     |

| Variable           | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------------|--|-------------------|------------------------------|---------------------|
| Mains Replacement  | <p>Capex has been reported for Proactive and Reactive Mains Replacement projects.</p> <p>Proactive Mains Replacement projects includes programmed renewal of specific areas of mains, specified at a project level.</p> <p>Reactive Mains Replacement projects includes unplanned capital expenditure associated with mains replacement which is required where repairs are not possible and urgent replacement of mains is required to manage gas escape.</p>   | Actual            |                              |                     |
| Mains Augmentation | <p>Mains Augmentation projects includes capital expenditure incurred on the AGN Victoria and Albury pipelines due to a change in the capacity requirements of mains and services in the gas distribution network to meet the demands of existing and future customers.</p> <p>Capex for Mains Augmentation projects has been identified with reference to the expenditure captured in APA's Oracle finance system against relevant "Development" and "Stay in Business" activity codes. Activity codes include Pressure Increase and Mains Renewal – No pressure change.</p> | Actual            |                              |                     |
| Telemetry          | <p>Telemetry projects includes capital expenditure incurred in the replacement of SCADA (Supervisory control and data acquisition)</p>   | Actual            |                              |                     |

| Variable          | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------|--|-------------------|------------------------------|---------------------|
|                   | <p>equipment operating in the network due to the condition of the assets.</p> <p>Expenditure reported for Telemetry Capex projects has been identified with reference to the expenditure captured in APA's Oracle finance system against the "Stay in Business" activity codes Telemetry.</p>  |                   |                              |                     |
| Meter Replacement | <p>Capex reported in this category relates to the cost of new and refurbished meters installed into the AGN Victoria and Albury networks for operation.</p> <p>Replacing domestic gas meters involves:</p> <ul style="list-style-type: none"> <li>• procuring any new or refurbished meters required, including quality control;</li> <li>• planning and scheduling of meters to be changed over;</li> <li>• organising resources (combination of direct and contractor) to carry out the meter change, which includes testing of outlet service and relighting appliances, and if required, re-attending premises after hours if the customer requires assistance;</li> <li>• testing meters brought in from the field;</li> <li>• life extension; and</li> <li>• refurbishing meters as required.</li> </ul> <p>A meter is an instrument that measures the quantity of gas passing through it and includes</p> | Actual            |                              |                     |



| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
|          | <p>associated equipment attached to the instrument to filter, control or regulate the flow of gas.</p> <p>Capex for refurbished meters relates to meters that were operating within the AGN Victoria and Albury networks which were temporarily taken out of operation and that were able to be restored to full function through a process of being refurbished.</p> <p>Capex reported for Meter Replacement projects has been identified with reference to the expenditure captured in APA's Oracle finance system against specific "Stay in Business" activity codes. Activity codes include PMC – Domestic and PMC I&amp;C. Note: PMC is Period Meter Changeover.</p> |                   |                              |                     |
| ICT      | <p>ICT expenditure includes capital expenditure associated with ICT assets (e.g. physical hardware and software and the associated development and implementation costs that are capitalised in accordance with relevant accounting standards and policies).</p> <p>Expenditure reported for ICT capex projects has been identified with reference to specific project names in APA's Oracle finance system that are known to be ICT projects (e.g. relevant ICT activity descriptions are included in the project names). AGN Limited also incurs internal ICT capital expenditure (Head Office Additions) for</p>   | Actual            |                              |                     |

| Variable                        | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|---|-------------------|------------------------------|---------------------|
|                                 | <p>AGN Victoria and Albury which is added to the expenditure information provided by APA.</p> <p>Refer to Appendix E for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types: "Head Office Additions and Other Adjustments" for Other Capex incurred by AGN Limited.</p>   |                   |                              |                     |
| Capitalised network overheads   | <p>Refer to Appendix C for an explanation of relevant processes and methodologies that apply to Overhead expenditure.</p> <p>Network overheads allocated by APA to Capex reported in this RIN table represents the network overheads recorded in APA's Oracle finance system at the time expenditure was incurred. Network overheads are allocated by APA on the basis of direct expenditure, as explained in the AGN Limited Cost Allocation Methodology.</p> <p>APA's network overheads include an allocation of the NMF paid by AGN Limited, which for statutory accounting purposes 65% of the total remains in capitalised network overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, 50% of the total NMF is reported as operating expenditure.</p> | Actual            |                              |                     |
| Capitalised corporate overheads | <p>AGN Limited has no Capitalised corporate overheads to report, in accordance with the Regulatory Accounting Principles and Policies and Capitalisation Policy documents.</p> <p>Thus, we provide a 'Null' response in the reporting template.</p>   |                   |                              |                     |

| Variable    | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------|--|-------------------|------------------------------|---------------------|
| Other Capex | <p>Expenditure reported for Other capex projects has been identified with reference to specific "Development" and "Stay in Business" Activity codes in APA's Oracle finance system that are known to be miscellaneous projects that are not otherwise related to the other categories in this table. AGN Limited also incurs internal Other capital expenditure for AGN Victoria and Albury (Head Office Additions) which is added to the expenditure information provided by APA.</p> <p>Activity codes include Mains Alterations, Regulators, Corrosion, Other Non-Reticulation Capital, Other Network Stopple Equipment, specific Mains Alterations major projects and other major projects (i.e. city gate stations).</p> <p>Refer to Appendix E for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment type:</p> <ul style="list-style-type: none"> <li>"Head Office Additions and Other Adjustments" for Other Capex incurred by AGN Limited.</li> </ul> | Actual            |                              |                     |

| Variable                                    | Source Template                         |
|---|---|
| Capital contributions included in the above | F2. Capex F2.5.1 – Actual – As Incurred |

|           |  |               |                  |                 |               |
|-----------|--|---------------|------------------|-----------------|---------------|
| Variances | <i>Variance Basis of Preparation Requirement</i> |               |                  |                 |               |
|           | Schedule 1 – 1.5 (b)                             |               |                  |                 |               |
|           | <b>Victoria and Albury Consolidated 2020</b>     |               |                  |                 |               |
|           | <b>Annual RIN Capex v AER PTRM</b>               |               |                  |                 |               |
|           | <b>Year</b>                                      | <b>Actual</b> | <b>Benchmark</b> | <b>Var (\$)</b> | <b>Var. %</b> |
|           | 2020   | 127           | 134              | -7              | -5.1%         |
|           | No variations outside +/- 10 per cent.           |               |                  |                 |               |

#### E1.1.2 – Non-reference Services

AGN Vic and Albury had no capex for non-reference services in the relevant periods. For this reason, a 'Null' response is provided in this reporting template.

## E1.2 – Opex

### E1.2.1 – Reference Services

| Variable                | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------------|---|-------------------|------------------------------|---------------------|
| 2020                    | <p><i>Refer to Appendix B for a description of the systems and processes that support AGN Limited's cost capture and reporting of Opex as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from Opex for regulatory purposes, and in relation to AGN Limited's policies and processes for cost allocation.</i></p> <p><i>Unless otherwise noted, the information in this RIN Table has been sourced from the Ring Fenced Accounts (RFAs) and associated working papers prepared by AGN Limited and APA each half year. The processes and systems that facilitate the production of the RFAs is outlined in Appendix B. These expenditure amounts are reconciled with the relevant accounts in the separate general ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Opex reported in this RIN Table includes the consolidated expenditure for AGN Limited's pipelines in Victoria and Albury, which is in accordance with the approved access arrangement for the period 2018 to 2022 (i.e. to consolidate Opex for Victoria and Albury both in relation to approved expenditure and for the reporting of actuals).</i></p> |                   |                              |                     |
| Repairs and maintenance | <p>Expenditure reported in this category is the expenditure incurred by AGN Limited in relation to the repair and maintenance activities for the Victorian and Albury pipelines which provides Reference Services.</p> <p>The repair and maintenance of AGN Limited's Victorian and Albury pipelines has been contracted to APA under the OMA. It is noted that APA incurs other Opex costs in providing these services to AGN Limited (e.g. general and administrative costs), however all such costs including Marketing expenditure, are effectively bundled into the</p>  | Actual            |                              |                     |

|                                 |  |        |
|---------------------------------|--|--------|
|                                 | <p>monthly charges from APA. Marketing expenditure is separately identified in the Ring Fenced Accounts which enables AGN Limited to include those amounts separately in Marketing and Retail Incentives below. For this reason, all expenditure incurred under the OMA with APA that is not Capex or Marketing and Retail Incentives expenditure, is classified as Repairs and Maintenance expenditure.</p> <p>APA's network overheads include an allocation of the Network Management Fee (NMF) paid by AGN Limited, which for statutory accounting purposes 65% if the total NMF remains in capitalised network overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, 50% of the total NMF is reported as operating expenditure and appears in this category of Repairs and Maintenance.</p> |        |
| Marketing and retail incentives | <p>Marketing and Retail Incentives expenditure is predominantly undertaken internally within AGN Limited (separately to activities provided by APA) and information about this expenditure is sourced from the SAP General Ledger (GL).</p> <p>Both types of expenditure, being that incurred through services provided by APA (from February 2020 most of the Marketing function was bought in-house with the exception of the Call Centre), along with AGN Limited's internal expenditure, is reconciled to the separate General Ledgers for AGN Victoria and AGN Albury.</p> <p>Expenditure reported as Marketing and Retail Incentives includes various marketing activities undertaken by AGN Limited to retain and increase customer numbers. This program incorporates</p>  | Actual |

|              |  |
|--------------|--|
|              | <p>advertising (for example), on platforms such as television, radio, digital and press. AGN Limited also provides marketing rebates to certain customers in the form of a cash payment, as an incentive to have gas connected and take up gas appliances (i.e. gas hot water, gas central heating etc.) in place of their equivalent electric appliances, the costs of which are reported in this category of expenditure. As outlined above, under the Repairs and maintenance category, there is some Marketing and Retail Incentives expenditure incurred through payments to APA for activities undertaken on behalf of AGN Limited under the OMA.</p> <p>Refer to Appendix E for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment type:</p> <ul style="list-style-type: none"> <li>• “Marketing Rebates” for expenditure treated consistently as Opex for regulatory purposes and Capex for statutory accounting purposes, from 1 January 2016.</li> </ul> |
| Debt raising | <p>The information in this RIN Table has been sourced from AGN Limited’s SAP GL and working papers maintained within the Treasury function of AGN Limited which record related expenditure.</p> <p>Expenditure reported for debt raising costs comprise the following fees and charges paid in relation to raising debt financing for AGN Limited:</p> <p>Actual</p> <ul style="list-style-type: none"> <li>• Agents fees</li> <li>• Registrar Fees</li> <li>• Rating Agent fees</li> <li>• Establishment/extension fees</li> <li>• Legal fees</li> </ul>  |

|                        |   |
|------------------------|---|
|                        | <ul style="list-style-type: none"> <li>Roadshow and associated travelling costs</li> </ul>  |
| Equity raising         | <p>AGN Limited manages its debt finance facilities for the group as a whole. As set out in the CAM, these costs are allocated to each jurisdiction based on the Regulatory Asset Base (RAB) values in each of AGN's separate Access Arrangements.</p> <p>AGN Limited does not currently incur equity raising costs under its existing ownership structure and has not incurred equity raising costs for the period covered by the Annual RIN templates.</p> <p>Thus, we provide a 'Null' response in the reporting template.</p> <p>The amounts reported have been reconciled to the General Ledger for AGN Victoria.</p>   |
| Unaccounted for gas    | <p>Expenditure reported for Unaccounted for Gas (UAFG) is the cost to AGN (Victoria) Limited in relation to the volume of gas calculated pursuant to the AEMO Wholesale Market Distribution UAFG Procedures (Victoria). The costs are derived by multiplying the quantity above or below the approved benchmark percentage by the sum of the average volume weighted market price (AVWMP) and the average transmission tariff (ATT).</p> <p>Albury UAFG cannot be accurately separated from Victoria due to gas flows between the network boundaries. This boundary issue is well known and is referred to in clause 2.1.6 of the AEMO Wholesale Market UAFG Distribution Procedures (Victoria). As a result, no UAFG information is provided for Albury.</p> |
| Jurisdictional charges | <p>The information in this RIN Table has been sourced from, and reconciled to, the SAP General Ledgers for AGN Victoria and AGN Albury.</p>   |



|              |   |
|--------------|---|
|              | <p>Expenditure reported for Jurisdictional charges comprises license fees and levies paid to current and former regulatory bodies.</p>  |
| GSL payments | <p>GSL payments are made under section 2.2 (b) of the Gas Distribution Code in relation to applicable tariff V customers. There were no GSL payments made by AGN Albury for the period because the Terms and Conditions of Albury's current AA does not provide for such payments. Hence, the GSL payments being reported in this RIN table relate to AGN Victoria only.</p> <p>Actual</p>  |
| Other Opex   | <p>The information in this RIN Table has been sourced from and reconciled to the SAP General Ledgers for AGN Victoria, AGN Albury and AGN Limited.</p> <p>Expenditure reported for Other Opex represents an allocation of the other internal costs associated with the business and include items such as employee costs, consulting and legal expenses, IT support costs, insurance and costs not related to another category in this RIN table. These costs are allocated in accordance with the Cost Allocation Methodology provided with this RIN response.</p> <p>Actual</p> |

|  |   |               |                  |                 |               |
|--|---|---------------|------------------|-----------------|---------------|
| Variances                              | <b><i>Variance Basis of Preparation Requirement</i></b> |               |                  |                 |               |
|  | Schedule 1 – 1.5 (a)                                    |               |                  |                 |               |
|  | <b>Annual RIN Opex v AER PTRM</b>                       |               |                  |                 |               |
|  | <b>Year</b>   | <b>Actual</b> | <b>Benchmark</b> | <b>Var (\$)</b> | <b>Var. %</b> |
|  | 2020  | 69            | 74               | -5              | -6.4%         |
| No variations outside +/- 10 per cent. |   |               |                  |                 |               |

### E1.2.2 – Non-reference Services

| Variable                | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------------|---|-------------------|------------------------------|---------------------|
| 2020                    | <p><i>Refer to Appendix B for a description of the systems and processes that support AGN Limited's cost capture and reporting of Opex as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from Opex for regulatory purposes, and in relation to AGN Limited's policies and processes for cost allocation.</i></p> <p><i>Unless otherwise noted, the information in this RIN Table has been sourced from the Ring Fenced Accounts (RFAs) and associated working papers prepared by AGN Limited and APA each half year. The processes and systems that facilitate the production of the RFAs is outlined in Appendix B. These expenditure amounts are reconciled with the relevant accounts in the separate general ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Opex reported in this RIN Table includes the consolidated expenditure for AGN Limited's pipelines in Victoria and Albury, which is in accordance with the approved access arrangement for the period 2018 to 2022 (i.e. to consolidate Opex for Victoria and Albury both in relation to approved expenditure and for the reporting of actuals).</i></p> |                   |                              |                     |
| Repairs and maintenance | <p>From 2016 AGN Limited has modified its processes used to prepare the RFAs, which is the source of information for regulatory reporting and can therefore provide Revenue information for Non-reference services for the periods since 2016.</p> <p>However, AGN Limited and APA's business systems are not configured to capture expenditure information at the level of detail required to report expenditure for Non-reference services.</p> <p>In order to report these expenditure figures, AGN Limited has used the Revenue earned from Non-reference services and assumed a 20% margin.</p>  | Actual            |                              |                     |

|                                 |   |
|---------------------------------|---|
|                                 | <p>AGN Limited considers this to be the best method for deriving these expenditure figures given the information that is currently available.</p> <p>The services that are included in Non-reference services are:</p> <ul style="list-style-type: none"> <li>• Out of hours special read</li> <li>• Meter Alter Position</li> <li>• Same Day Premium Service</li> <li>• Disconnect Service in Street</li> <li>• No Access/Incomplete Meter Fix; and</li> <li>• Reconnect Service in Street</li> </ul> <p>Given delivery of Non-reference services has been contracted to APA through the OMA, all relevant Opex incurred is recorded as Repairs and maintenance.</p> |
| Marketing and retail incentives | <p>AGN Limited has incurred no Marketing and Retail Incentives expenditure in relation to the provision of Non-reference services in 2020 for AGN Victoria or AGN Albury.</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>   |
| Debt raising                    | <p>AGN Limited has incurred no Debt Raising expenditure related to the provision of Non-reference Services in 2020 for AGN Victoria or AGN Albury.</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>  |
| Equity raising                  | <p>AGN Limited does not currently incur Equity Raising costs under its existing ownership structure and has not incurred equity raising costs in 2020 for AGN Victoria or AGN Albury.</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>   |
| Unaccounted for gas             | <p>AGN Limited has incurred no UAFG expenditure related to the provision of Non-reference Services in 2020 for AGN Victoria or AGN Albury.</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>  |

|                        |   |
|------------------------|---|
| Jurisdictional charges | <p>AGN Limited has incurred no Jurisdictional charges expenditure related to the provision of Non-reference Services in 2020 for AGN Victoria or AGN Albury.</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>  |
| GSL payments           | <p>AGN Limited has not incurred any expenditure in relation to GSL payments in relation to Non-reference Services in 2020 for AGN Victoria or AGN Albury.</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>   |
| Other Opex             | <p>AGN Limited has incurred no Other Opex expenditure in relation to the provision of Non-reference Services in 2020 for AGN Victoria or AGN Albury. As mentioned above, delivery of Non-reference services has been contracted to APA and all related expenditure incurred under the OMA is recorded as Repairs and maintenance expenditure.</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p> |

## E1.3 – Capcons

### E1.3.1 – Reference Services

| Variable    | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------|---|-------------------|------------------------------|---------------------|
| 2020        | <p><i>Refer to Appendices A and C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex and Overheads as it relates to the Capital contributions information presented below. These systems and processes provide the necessary level of detail required for AGN Limited to report against the categories and sub-categories of Capex and Overheads shown in the RIN templates.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies document for guidance on the treatment of Capital Contributions for regulatory purposes.</i></p> <p><i>Capital contributions reported in this table E1.3 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p> |                   |                              |                     |
| Connections | <p>Capital Contributions information in relation to Connections Capex in 2020 was sourced as explained below:</p> <p>The amount of Capital Contributions reported that relates to New Homes (domestic customers) has been derived from invoiced revenue. This revenue mostly funds the economic shortfall for Mains. The calculation of this revenue includes allowance for a 20% margin.</p> <p>The amount of Capital Contributions reported for Industrial &amp; Commercial Contract customers, is derived from the amounts of related Capex incurred, as reported by APA in the Capex Data Model (with an adjustment to the allocated NMF as set out in the Regulatory Accounting Policy i.e. 50% is capitalised for regulatory reporting).</p>  | Actual            |                              |                     |

| Variable                      | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------------------|---|-------------------|------------------------------|---------------------|
|                               | Related Capex that is used to derive Capital Contributions from Industrial & Commercial Contract Customers has been identified with reference to expenditure captured in APA's Oracle finance system against specific "Development" activity codes (i.e. Large Consumers and Meters – I&C>10TJ with sub-activity codes New Service and New Main >10TJ and Meter Installation and Meter Growth >10TJ). |                   |                              |                     |
| Mains Replacement             | AGN Limited received no Capital Contributions in relation to Mains Replacement Capex in 2020 for AGN Victoria and AGN Albury.<br>Thus, we provide a 'Null' response in the reporting template.  |                   |                              |                     |
| Mains Augmentation            | AGN Limited received no Capital Contributions in relation to Mains Augmentation Capex in 2020 for AGN Victoria and AGN Albury.<br>Thus, we provide a 'Null' response in the reporting template.   |                   |                              |                     |
| Telemetry                     | AGN Limited received no Capital Contributions in relation to Telemetry Capex in 2020 for AGN Victoria and AGN Albury.<br>Thus, we provide a 'Null' response in the reporting template.  |                   |                              |                     |
| Meter Replacement             | AGN Limited received no Capital Contributions in relation Meter Replacement Capex in 2020 for AGN Victoria and AGN Albury.<br>Thus, we provide a 'Null' response in the reporting template.   |                   |                              |                     |
| ICT                           | AGN Limited received no Capital Contributions in relation to ICT Capex in 2020 for AGN Victoria and AGN Albury.<br>Thus, we provide a 'Null' response in the reporting template.  |                   |                              |                     |
| Capitalised network overheads | The Capitalised Network Overheads associated with Capital Contributions in 2020 was sourced from the Capex Data Model information provided by APA (with an adjustment to the allocated NMF as set out in the Regulatory Accounting Policy i.e. 50% is capitalised for regulatory reporting), which identifies the Capitalised Network Overheads related to the Capital                                | Actual            |                              |                     |

| Variable                        | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|--|-------------------|------------------------------|---------------------|
|                                 | Contributions in each of the categories of Capex shown in this RIN table.<br><br>The Capitalised Network Overheads associated with New Home Connections are assumed to be 10% of the gross expenditure incurred on that activity.  |                   |                              |                     |
| Capitalised corporate overheads | AGN Limited has no Capitalised corporate overheads to report, in accordance with the Regulatory Accounting Principles and Policies and Capitalisation Policy documents.<br><br>Thus, we provide a 'Null' response in the reporting template.   |                   |                              |                     |
| Other Capex                     | The amount of Capital Contributions reported for Other Capex in 2020 is derived from the amounts of related Capex incurred, as reported by APA in the Capex Data Model (with an adjustment to the allocated NMF as set out in the Regulatory Accounting Policy i.e. 50% is capitalised for regulatory reporting) and can be identified with reference to expenditure in APA's Oracle finance system against specific Mains Alteration task and activity code or a specific Major Project code. | Actual            |                              |                     |



### E1.3.2 – Non-reference Services

AGN Vic and Albury had no customer contributions for non-reference services in the relevant periods. For this reason, a 'Null' response is provided in this reporting template.

## E1.4 - Capitalised Overheads

### E1.4.1 – Reference Services

| Variable          | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------|--|-------------------|------------------------------|---------------------|
| 2020              | <p><i>Refer to Appendices A and C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex and Overheads as presented below. These systems and processes provide the necessary level of detail required for AGN Limited to report against the categories and sub-categories of Capex and Overheads shown in the RIN templates.</i></p> <p><i>Refer to Appendix C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Overheads expenditure as presented below.</i></p> <p><i>Capitalised Overheads information in this table E1.4 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p> |                   |                              |                     |
| Connections       | <p>The Capitalised Network Overheads reported in this table represents the Network Overheads that have been allocated to Connections Capex, as reported in Table E1.1.1 above.</p> <p>Network Overheads are allocated to direct Capex based on the level of spend, as outlined in the CAM.</p>   | Actual            |                              |                     |
| Mains Replacement | <p>The Capitalised Network Overheads reported in this table represents the Network Overheads that have been allocated to Mains Replacement Capex, as reported in Table E1.1.1 above.</p>   | Actual            |                              |                     |

| Variable           | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------------|---|-------------------|------------------------------|---------------------|
|                    | Network Overheads are allocated to direct Capex based on the level of spend, as outlined in the CAM.  |                   |                              |                     |
| Mains Augmentation | <p>The Capitalised Network Overheads reported in this table represents the Network Overheads that have been allocated to Mains Augmentation Capex, as reported in Table E1.1.1 above.</p> <p>Network Overheads are allocated to direct Capex based on the level of spend, as outlined in the CAM.</p> | Actual            |                              |                     |
| Telemetry          | <p>The Capitalised Network Overheads reported in this table represents the Network Overheads that have been allocated to Telemetry Capex, as reported in Table E1.1.1 above.</p> <p>Network Overheads are allocated to direct Capex based on the level of spend, as outlined in the CAM.</p>          | Actual            |                              |                     |
| Meter Replacement  | <p>The Capitalised Network Overheads reported in this table represents the Network Overheads that have been allocated to Meter Replacement Capex, as reported in Table E1.1.1 above.</p> <p>Network Overheads are allocated to direct Capex based on the level of spend, as outlined in the CAM.</p>  | Actual            |                              |                     |
| ICT                | From 2016 AGN Limited ceased allocating Network Overheads to major ICT projects, as outlined in Appendix C of the CAM.  | Actual            |                              |                     |

| Variable                                    | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---|--|-------------------|------------------------------|---------------------|
| Other Capex                                 | <p>The Capitalised Network Overheads reported in this table represents the Network Overheads that have been allocated to Other Capex, as reported in Table E1.1.1 above.</p> <p>Network Overheads are allocated to direct Capex based on the level of spend, as outlined in the CAM.</p> | Actual            |                              |                     |
| Capital contributions included in the above | <p>The Capitalised Network Overheads that form part of Capital Contributions as reported in this table have been linked from the amounts reported above in Table E1.3.1 – Reference Services.</p>  | Actual            |                              |                     |

#### E1.4.2 – Non-reference Services

AGN Vic and Albury had no capitalised network overheads for non-reference services in the relevant periods. For this reason, a 'Null' response is provided in this reporting template.

## E11. Labour

### E11.3 Labour/Non-Labour Expenditure Split

#### E11.3.1 – Opex

| Variable   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|--|---|-------------------|---|---------------------|
| 2020   | <p><i>Refer to Appendices A and B for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex and Opex, including the labour and non-labour expenditure splits as presented below. These systems and processes, along with the additional processes explained further in the table below, provide the necessary level of detail required for AGN Limited to report against the categories of labour and non-labour expenditure shown in table E11 of the RIN templates.</i></p> <p><i>Labour and non-labour expenditure information in this table E11 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p> |                   |   |                     |
| In house labour expenditure                      | <p>AGN Limited's in house labour expenditure is sourced from its General Ledger and working papers prepared to support Annual RINs each year. With reference to the General Ledger and these working papers, AGN Limited is able to separately identify and report its own in house labour expenditure in this category of the RIN table, separately to its outsourced labour expenditure.</p> <p>The above-mentioned working papers comprise Excel spreadsheets which incorporate the allocation of AGN Limited employee related expenses (including on-costs) to each of its regulated and unregulated pipelines, as set out in the CAM.</p>  | Estimate          | Due to the process of allocating AGN Limited's total in house labour which requires relevant personnel who are employed at the group level, to estimate the time spent on each state and between regulated and unregulated businesses, the resulting amounts are considered estimated information by AGN Limited. |                     |
| Labour expenditure outsourced to related parties | <p>AGN Limited has no labour expenditure for AGN Victoria and AGN Albury outsourced to related parties after 29 August 2014, when APA ceased to be a related party (as explained further in Appendix D).</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>  |                   |   |                     |

| Variable   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|--|---|-------------------|--|---------------------|
| Labour expenditure outsourced to unrelated parties | <p>AGN Limited's labour expenditure outsourced to unrelated parties is sourced from its General Ledger and working papers prepared to support Annual RINs each year. With reference to the General Ledger and these working papers, AGN Limited is able to separately identify and report its labour expenditure outsourced to related parties, in this category of the RIN table, separately to its in house labour expenditure.</p> <p>The above-mentioned working papers comprise Excel spreadsheets which incorporate the allocation of APA's employee related expenses (including on-costs) along with APA's contracted labour, to each of AGN Limited's regulated and unregulated pipelines, as set out in the CAM. Further, Excel spreadsheets are maintained to identify and allocate labour related costs for work outsourced to other external parties by AGN Limited.</p> <p><u>Labour and non-labour split of Regulatory Accounting Adjustments related to Regulatory Accounting Policies</u></p> <p>Cost allocation processes undertaken in preparing the Ring Fenced Accounts which are a key source of regulatory accounting information (as explained in Appendices A and B) include adjustments required due to the regulatory accounting policies that are set out in the AGN Limited Regulatory Accounting Principles and Policies and Capitalisation Policy documents. The application of these policies to the information reported in this Annual RIN has</p> | Estimate          | <p>The breakdown of labour and non-labour expenditure for work undertaken by APA, is done with analysis of cost category information provided by APA from its Oracle finance system.</p> <p>AGN Limited considers this the most accurate representation possible of the breakdown of labour and non-labour expenditure being reported in this RIN template.</p> <p>However, given they are based on analysis provided by APA and not directly taken from their Oracle finance system and because some categories could not be split (e.g. shared services and recovery of network overheads), the reported amounts for all years in this RIN template are considered estimated information by AGN Limited.</p> |                     |

| Variable               | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|------------------------|---|-------------------|---|---------------------|
|                        | <p>also been detailed in Appendix E of the Basis of Preparation document.</p> <p>These include adjustments for relevant expenditure incurred through the OMA with APA which is treated as Opex for regulatory accounting purposes but Capex in the Statutory Accounts (e.g. Marketing Rebates and 65% of the Network Management Fee (NMF) where 50% is capitalised for regulatory reporting).</p> <p>Expenditure related to these adjustments (other than for NMF which is all non-labour) is split between labour and non-labour based on the analysis of Capex cost categories as explained in the 'Additional Comments' section of this Basis of Preparation table. The Activities in APA's Oracle finance system that align to these regulatory accounting adjustments are set out in Appendix E. The expenditure related to General Ledger cost categories that are for APA's internal payroll and contractors/consultants after 29 August 2014 is reported as 'Labour expenditure outsourced to non-related parties'.</p> |                   |   |                     |
| Non-labour expenditure | <p>AGN Limited's non-labour expenditure is sourced from its General Ledger and working papers prepared to support Annual RINs each year. With reference to the General Ledger and these working papers, AGN Limited is able to separately identify and report its non-labour expenditure, in this category of the RIN table, separately to its in house and outsourced labour expenditure.</p>  | Estimate          | <p>The breakdown of labour and non-labour expenditure for work undertaken by APA, is done with analysis of cost category information provided by APA from its Oracle finance system.</p> <p>AGN Limited considers this the most accurate representation</p> |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|----------|--|-------------------|---|---------------------|
|          | <p>The above-mentioned working papers comprise Excel spreadsheets which incorporate the allocation of APA's non-labour related expenses, to each of AGN Limited's regulated and unregulated pipelines, as set out in the CAM. Further, Excel spreadsheets are maintained to identify and allocate labour and non-labour related costs for work outsourced to other external parties by AGN Limited.</p> <p><u><i>Labour and non-labour split of Regulatory Accounting Adjustments related to Regulatory Accounting Policies</i></u></p> <p>Cost allocation processes undertaken in preparing the Ring Fenced Accounts which are a key source of regulatory accounting information (as explained in Appendices A and B) include adjustments required due to the regulatory accounting policies that are set out in the AGN Limited Regulatory Accounting Principles and Policies and Capitalisation Policy documents. The application of these policies to the information reported in this Annual RIN has also been detailed in Appendix E of the Basis of Preparation document.</p> <p>These include adjustments for relevant expenditure incurred through the OMA with APA which is treated as Opex for regulatory accounting purposes but Capex in the Statutory Accounts (e.g. Marketing Rebates and 65% of the Network Management Fee (NMF) where 50% is capitalised for regulatory reporting).</p> |                   | <p>possible of the breakdown of labour and non-labour expenditure being reported in this RIN template.</p> <p>However, given they are based on analysis provided by APA and not directly taken from their Oracle finance system and because some categories could not be split (e.g. shared services and recovery of network overheads), the reported amounts for all years in this RIN template are considered estimated information by AGN Limited.</p> |                     |

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
|          | Expenditure related to these adjustments (other than for NMF which is all non-labour) is split between labour and non-labour based on the analysis of Capex cost categories as explained in the 'Additional Comments' section of this Basis of Preparation table. The Activities in APA's Oracle finance system that align to these regulatory accounting adjustments are set out in Appendix E. The expenditure related to cost categories that are not for APA's internal payroll and contractor/consultants are grouped and reported as non-labour expenditure. This includes regulatory accounting adjustments for NMF, of which 15% is adjusted from Capex to Opex, as set out in the Regulatory Accounting Principles and Policies and Capitalisation Policy documents. |                   |                              |                     |



### E11.3.2 - Capex

| Variable                    | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|-----------------------------|---|-------------------|--|---------------------|
| 2020                        | <p><i>Refer to Appendices A and B for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex and Opex, including the labour and non-labour expenditure splits as presented below. These systems and processes, along with the additional processes explained further in the table below, provide the necessary level of detail required for AGN Limited to report against the categories of labour and non-labour expenditure shown in table E11 of the RIN templates.</i></p> <p><i>Labour and non-labour expenditure information in this table E11 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p>   |                   |  |                     |
| In house labour expenditure | <p>AGN Limited does not incur internal labour expenditure in relation to delivery of its Network Capex program, which is undertaken by APA under the OMA. Accordingly, this expenditure is reported in other categories as shown below.</p> <p>However, from 2019 there have been IT projects managed and delivered at the AGIG Group level, the costs for which have been allocated to companies within the group, including to AGN Limited and its subsidiaries. The allocation of this IT Capex is explained in the AGN Limited CAM.</p> <p>The IT Capex which has been allocated to AGN Victoria and AGN Albury, includes the cost of internal AGIG Group labour which is being utilised to deliver these projects. This expenditure is being reported in this table as 'In house labour expenditure'. There are also external resources being utilised on these AGIG IT projects, the costs of which is being reported below, as 'Labour outsourced to unrelated parties'.</p> | Estimate          | <p>Due to the process of allocating AGN Limited's total in house labour which requires relevant personnel who are employed at the group level to estimate the time spent on each state and between regulated and unregulated businesses, the resulting amounts are considered estimated information by AGN Limited.</p> <p>This applies both to the in house labour related to Opex activities explained above in table E11.3.1 – Opex and to the in house labour associated with the AGIG Group IT Capex projects explained here in this table E11.3.2 – Capex.</p> |                     |

| Variable   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|--|---|-------------------|--|---------------------|
| Labour expenditure outsourced to related parties   | <p>AGN Limited has no labour expenditure for AGN Victoria and AGN Albury outsourced to related parties after 29 August 2014, when APA ceased to be a related party (as explained further in Appendix D).</p> <p>Hence, AGN Limited is reporting a 'Null' response in the reporting template.</p>  |                   |  |                     |
| Labour expenditure outsourced to unrelated parties | <p>The labour expenditure being reported in this category represents labour expenditure associated with Capex activities undertaken under the OMA with APA, both utilising APA's own internal labour and labour that has been contracted by APA.</p> <p>The labour and non-labour expenditure information for 2020, as it relates to AGN Limited's Capex activities for Victoria and Albury, has been sourced from the analysis provided by APA from its Oracle finance system. This information enables expenditure to be split between labour and non-labour cost categories (i.e. General Ledger accounts in APA's Oracle business system) included in the Capex Data Model provided by APA. These General Ledger cost categories identify expenditure split for example between Payroll, Contractors/Consultancy, Materials, etc. in total and for each Activity in APA's Oracle finance system.</p> <p>As noted above against 'In house labour expenditure', from 2019 there have been IT projects managed and delivered at the AGIG Group level, the costs for which have been allocated to companies within the group, including to AGN Limited and its subsidiaries. The allocation of this IT Capex is explained in the AGN Limited CAM.</p> | Estimate          | <p>The breakdown of labour and non-labour expenditure for work undertaken by APA, is done with analysis of cost category information provided by APA from its Oracle finance system.</p> <p>AGN Limited considers this the most accurate representation possible of the breakdown of labour and non-labour expenditure being reported in this RIN template.</p> <p>However, given they are based on analysis provided by APA and not directly taken from their Oracle finance system and because some categories could not be split (e.g. shared services and recovery of network overheads), the reported amounts for all years in this RIN template are considered estimated information by AGN Limited.</p> |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
|          | <p>The IT Capex which has been allocated to AGN Victoria and AGN Albury, includes the cost of external labour which is being utilised to deliver these projects. This expenditure is being reported in this table as 'Labour expenditure outsourced to unrelated parties'.</p> <p><u><i>Labour and non-labour split of Regulatory Accounting Adjustments related to Regulatory Accounting Policies</i></u></p> <p>Cost allocation processes undertaken in preparing the Ring Fenced Accounts which are a key source of regulatory accounting information (as explained in Appendices A and B) include adjustments required due to the regulatory accounting policies that are set out in the AGN Limited Regulatory Accounting Principles and Policies and Capitalisation Policy documents. The application of these policies to the information reported in this Annual RIN has also been detailed in Appendix E of the Basis of Preparation document.</p> <p>These include adjustments for relevant expenditure incurred through the OMA with APA which is treated as Opex for regulatory accounting purposes but Capex in the Statutory Accounts (e.g. Marketing Rebates and 65% of the Network Management Fee (NMF) where 50% is capitalised for regulatory reporting).</p> <p>Expenditure related to these adjustments (other than for NMF which is all non-labour) is split between labour and non-labour based on the</p> |                   |                              |                     |

| Variable               | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|------------------------|---|-------------------|--|---------------------|
|                        | analysis of Capex cost categories as explained previously. The Activities in APA's Oracle finance system that align to these regulatory accounting adjustments are set out in Appendix E. The expenditure related to General Ledger cost categories that are for APA's internal payroll and contractors/consultants after 29 August 2014 is reported as 'Labour expenditure outsourced to unrelated parties'.   |                   |  |                     |
| Non-labour expenditure | <p>Non-labour expenditure includes expenditure incurred through the OMA with APA and AGN Limited's own internal non-labour expenditure. AGN Limited's own internal non-labour expenditure has been sourced from its General Ledger and the working papers that underpin preparation of the Ring Fenced Accounts. These working papers in the form of Excel spreadsheets, incorporate cost allocation of AGN Limited non-labour expenditure to each of its regulated and unregulated pipelines, as set out in the CAM.</p> <p>The labour and non-labour expenditure information for 2020, as it relates to AGN Limited's Capex activities for Victoria and Albury, has been sourced from the analysis provided by APA from its Oracle finance system. This information enables expenditure to be split between labour and non-labour cost categories (i.e. General Ledger accounts in APA's Oracle business system) included in the Capex Data Model provided by APA. These General Ledger cost categories identify expenditure split for example between Payroll, Contractors/Consultancy, Materials, etc. in total</p> | Estimate          | <p>The breakdown of labour and non-labour expenditure for work undertaken by APA, is done with analysis of cost category information provided by APA from its Oracle finance system.</p> <p>AGN Limited considers this the most accurate representation possible of the breakdown of labour and non-labour expenditure being reported in this RIN template.</p> <p>However, given they are based on analysis provided by APA and not directly taken from their Oracle finance system and because some categories could not be split (e.g. shared services and recovery of network overheads), the reported amounts for all years in this RIN template are considered</p> |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)          | Additional Comments |
|----------|--|-------------------|---------------------------------------|---------------------|
|          | <p>and for each Activity in APA's Oracle finance system.</p> <p>As noted above against the 'in house' and 'outsourced' labour categories, from 2019 there have been IT projects managed and delivered at the AGIG Group level, the costs for which have been allocated to companies within the group, including to AGN Limited and its subsidiaries. The allocation of this IT Capex is explained in the AGN Limited CAM.</p> <p>The IT Capex which has been allocated to AGN Victoria and AGN Albury, includes non-labour expenditure as part of delivering these projects. This expenditure is reported here against non-labour expenditure in the RIN template.</p> <p><u>Labour and non-labour split of Regulatory Accounting Adjustments related to Regulatory Accounting Policies</u></p> <p>Cost allocation processes undertaken in preparing the Ring Fenced Accounts which are a key source of regulatory accounting information (as explained in Appendices A and B) include adjustments required due to the regulatory accounting policies that are set out in the AGN Limited Regulatory Accounting Principles and Policies and Capitalisation Policy documents. The application of these policies to the information reported in this Annual RIN has also been detailed in Appendix E of the Basis of Preparation document.</p> |                   | estimated information by AGN Limited. |                     |

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
|          | <p>These include adjustments for relevant expenditure incurred through the OMA with APA which is treated as Opex for regulatory accounting purposes but Capex in the Statutory Accounts (e.g. Marketing Rebates and 65% of the Network Management Fee (NMF) where 50% is capitalised for regulatory reporting).</p> <p>Expenditure related to these adjustments (other than for NMF which is all non-labour) is split between labour and non-labour based on the analysis of Capex cost categories as explained previously. The Activities in APA's Oracle finance system that align to these regulatory accounting adjustments are set out in Appendix E. The expenditure related to cost categories that are not for APA's internal payroll and contractor/consultants are grouped and reported as non-labour expenditure. This includes regulatory accounting adjustments for NMF, of which 15% is adjusted from Capex to Opex, as set out in the Regulatory Accounting Principles and Policies and Capitalisation Policy documents.</p> |                   |                              |                     |

## E21. Ancillary Reference Services (ARS)

### E21.1 – Volumes

| Variable                        | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|--|-------------------|------------------------------|---------------------|
| 2020                            | <i>Ancillary Reference Services information in this table E21 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i>  |                   |                              |                     |
| Meter and Gas Installation Test | <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>ARS volumes reported for Meter and Gas Installation Tests relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>High account investigation which involves testing a meter to establish if it falls within allowable limits</li> </ul> <p>The volume of Meter and Gas Installation Test services as reported has been determined from a count using data supplied by APA. The transaction data is extracted from APA's billing system (CC&amp;B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs (see appendix B).</p> | Actual            |                              |                     |
| Disconnection                   | <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>ARS volumes reported for Disconnections relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>Disconnections – attach locks or plugs to meter for debt</li> </ul>   | Actual            |                              |                     |

| Variable      | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------|--|-------------------|------------------------------|---------------------|
|               | The volume of Disconnection services as reported has been determined from a count using data supplied by APA. The transaction data is extracted from APA's billing system (CC&B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs (see appendix B).   |                   |                              |                     |
| Reconnection  | <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>ARS volumes reported for Reconnections relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>Reconnections – meter turn on after debt/energise the gas supply to a site that has temporarily been disconnection (includes removal of locks or plugs).</li> </ul> <p>The volume of Reconnection services as reported has been determined from a count using data supplied by APA. The transaction data is extracted from APA's billing system (CC&amp;B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs (see appendix B).</p> | Actual            |                              |                     |
| Meter Removal | APA have been contracted by AGN Limited under the OMA to provide these services.   | Actual            |                              |                     |



| Variable             | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------------------|--|-------------------|------------------------------|---------------------|
|                      | <p>ARS volumes reported for Meter Removals relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>Meter Remove – can be performed at customers' request, where a building is being demolished or where a significant debt is unlikely to be recovered.</li> </ul> <p>The volume of Meter Removal services as reported has been determined from a count using data supplied by APA. The transaction data is extracted from APA's billing system (CC&amp;B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs (see appendix B).</p>           |                   |                              |                     |
| Meter Reinstallation | <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>ARS volumes reported for Meter Reinstallations relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>Refix a meter at a premise where the MRIN status is decommissioned as the result of a previous service order to remove the meter.</li> </ul> <p>The volume of Meter Reinstallation services as reported has been determined from a count using data supplied by APA. The transaction data is extracted from APA's billing system (CC&amp;B) which provides information to retailers and is also used</p> | Actual            |                              |                     |

| Variable                          | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|-----------------------------------|---|-------------------|--|---------------------|
|                                   | internally to produce the revenue figures for the RFAs (see appendix B).  |                   |  |                     |
| Special Meter Read – Metropolitan | <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>ARS volumes reported for Special Meter Reads - Metropolitan relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>• Move in – Move out – No change in retailer</li> <li>• Request to check a reading from a retailer</li> <li>• Special read request to change from one retailer to another</li> </ul> <p>The volume for Special Meter Read - Metropolitan services as reported, has been determined by assessing the percentage of reads allocated between Metropolitan and Non-Metropolitan locations. These percentages were derived from analysis undertaken by APA where they assessed a sample year of reads and grouped based on charge out rate. This data was extracted from its billing system (CC&amp;B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs. The split used for 2020 is 75% Metro and 25% Non-Metro. This method of deriving the volumes for Metro and Non-Metro Special Meter Reads was necessary because AGN Limited and APA's business systems do not capture this level of detail. As such, this</p> | Estimate          | AGN Limited and APA's business systems do not capture the level of detail necessary to extract data on the actual volume of Special Meter Read transactions between Metropolitan and Non-Metropolitan locations. Therefore, it has been necessary to estimate this information using the method explained in this table. |                     |

| Variable                              | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|---------------------------------------|---|-------------------|--|---------------------|
|                                       | <p>information is considered by AGN Limited to be Estimated information.</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p>   |                   |  |                     |
| Special Meter Read – Non-Metropolitan | <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>ARS volumes reported for Special Meter Reads – Non-Metropolitan relates to undertaking the following services in Non-Metropolitan areas:</p> <ul style="list-style-type: none"> <li>• Move in – Move out – No change in retailer</li> <li>• Request to check a reading from a retailer</li> <li>• Special read request to change from one retailer to another</li> </ul> <p>The volume for Special Meter Read – Non-Metropolitan services as reported, has been determined by assessing the percentage of reads allocated between Metropolitan and Non-Metropolitan locations. These percentages were derived from analysis undertaken by APA where they assessed a sample year of reads and grouped based on charge out rate. This data was extracted from its billing system (CC&amp;B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs. For 2020 the split used is 75% Metro and 25% Non-</p> | Estimate          | AGN Limited and APA's business systems do not capture the level of detail necessary to extract data on the actual volume of Special Meter Read transactions between Metropolitan and Non-Metropolitan locations. Therefore, it has been necessary to estimate this information using the method explained in this table. |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
|          | <p>Metro. This method of deriving the volumes for Metro and Non-Metro Special Meter Reads was necessary because AGN Limited and APA's business systems do not capture this level of detail. As such, this information is considered by AGN Limited to be Estimated information.</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p> |                   |                              |                     |

## E21.2 – Expenditure

| Variable                        | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|---------------------------------|---|-------------------|---|---------------------|
| 2020                            | <i>Ancillary Reference Services expenditure information in this table E21 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i>   |                   |   |                     |
| Meter and Gas Installation Test | <p>Due to specific data not being available for ARS, it has been assumed that expenditure is equal to revenue earned from providing the services.</p> <p>Hence AGN Limited has replicated the figures reported for ARS revenue as representing expenditure for each category in this table for 2020.</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p> | Estimate          | AGN Limited and APA's business systems are not configured to capture information at the level of detail required to determine the expenditure associated with providing the services categorised as ARS. Therefore, these figures have been estimated using the method explained in this table. |                     |
| Disconnection                   | <p>Due to specific data not being available for ARS, it has been assumed that expenditure is equal to revenue earned from providing the services.</p> <p>Hence AGN Limited has replicated the figures reported for ARS revenue as representing expenditure for each category in this table for 2020.</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p> | Estimate          | AGN Limited and APA's business systems are not configured to capture information at the level of detail required to determine the expenditure associated with providing the services categorised as ARS. Therefore, these figures have been estimated using the method explained in this table. |                     |
| Reconnection                    | <p>Due to specific data not being available for ARS, it has been assumed that expenditure is equal to revenue earned from providing the services.</p>   | Estimate          | AGN Limited and APA's business systems are not configured to capture information at the level of  |                     |

| Variable             | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|----------------------|---|-------------------|--|---------------------|
|                      | <p>Hence AGN Limited has replicated the figures reported for ARS revenue as representing expenditure for each category in this table for 2020</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p>  |                   | <p>detail required to determine the expenditure associated with providing the services categorised as ARS. Therefore, these figures have been estimated using the method explained in this table.</p>  |                     |
| Meter Removal        | <p>Due to specific data not being available for ARS, it has been assumed that expenditure is equal to revenue earned from providing the services.</p> <p>Hence AGN Limited has replicated the figures reported for ARS revenue as representing expenditure for each category in this table for 2020.</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p> | Estimate          | <p>AGN Limited and APA's business systems are not configured to capture information at the level of detail required to determine the expenditure associated with providing the services categorised as ARS. Therefore, these figures have been estimated using the method explained in this table.</p> |                     |
| Meter Reinstallation | <p>Due to specific data not being available for ARS, it has been assumed that expenditure is equal to revenue earned from providing the services.</p> <p>Hence AGN Limited has replicated the figures reported for ARS revenue as representing expenditure for each category in this table for 2020.</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p> | Estimate          | <p>AGN Limited and APA's business systems are not configured to capture information at the level of detail required to determine the expenditure associated with providing the services categorised as ARS. Therefore, these figures have been estimated using the method explained in this table.</p> |                     |

| Variable                              | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|---------------------------------------|---|-------------------|--|---------------------|
| Special Meter Read – Metropolitan     | <p>Due to specific data not being available for ARS, it has been assumed that expenditure is equal to revenue earned from providing the services.</p> <p>Hence AGN Limited has replicated the figures reported for ARS revenue as representing expenditure for each category in this table for 2020</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p>  | Estimate          | <p>AGN Limited and APA's business systems are not configured to capture information at the level of detail required to determine the expenditure associated with providing the services categorised as ARS. Therefore, these figures have been estimated using the method explained in this table.</p> |                     |
| Special Meter Read – Non-Metropolitan | <p>Due to specific data not being available for ARS, it has been assumed that expenditure is equal to revenue earned from providing the services.</p> <p>Hence AGN Limited has replicated the figures reported for ARS revenue as representing expenditure for each category in this table for 2020.</p> <p>AGN Limited considers this to be a reasonable estimate and the best method from which to determine these figures given the information available.</p> | Estimate          | <p>AGN Limited and APA's business systems are not configured to capture information at the level of detail required to determine the expenditure associated with providing the services categorised as ARS. Therefore, these figures have been estimated using the method explained in this table.</p> |                     |

## N1. Demand

### N1.1 – Demand – by Customer Type

| Variable   | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
|--|--|-------------------|------------------------------|---------------------|-----------------------------------|--|--|--|--|-------------------------------|--------|----------|-----------|--------|------|------------|------------|-----------|-------|
| 2020   |  |                   |                              |                     |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
| Residential  | In previous years, demand data is sourced from the Gas Tariff Approval models submitted as part of the tariff approval process for the years 2019 – 2021 respectively. This is because the volumes used for the tariff approvals are on a t-2 basis, specifically the volumes submitted to enable the approval of 2019 tariffs are 2017 volumes. Tariffs for 2022 have not yet been submitted so the data has been extracted for 2020 as per the normal tariff approval process. |                   |                              |                     |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
|  | <u>Basis of Preparation Requirement</u>  |                   |                              |                     |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
|  | <u>Schedule 1 – 1.5 (c)</u>  |                   |                              |                     |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
|  | <table><tr><th colspan="5">Annual RIN Haulage Volumes v PTRM</th></tr><tr><th>Residential &amp; Commercial (GJ)</th><th>Actual</th><th>AER PTRM</th><th>Var. (GJ)</th><th>Var. %</th></tr><tr><td>2020</td><td>41,135,051</td><td>36,431,303</td><td>4,703,748</td><td>12.9%</td></tr></table>   |                   |                              |                     | Annual RIN Haulage Volumes v PTRM |  |  |  |  | Residential & Commercial (GJ) | Actual | AER PTRM | Var. (GJ) | Var. % | 2020 | 41,135,051 | 36,431,303 | 4,703,748 | 12.9% |
|  | Annual RIN Haulage Volumes v PTRM  |                   |                              |                     |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
| Residential & Commercial (GJ)  | Actual   | AER PTRM          | Var. (GJ)                    | Var. %              |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
| 2020   | 41,135,051   | 36,431,303        | 4,703,748                    | 12.9%               |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
| Actual   |  |                   |                              |                     |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |
| Demand outperformance in 2020 was driven by higher residential consumption as a result of the COVID-19 pandemic. This meant that many people in Melbourne who would otherwise have been working in their usual workplaces were working from home during 2020. This drove higher volumes given the prevalence of gas space heating in Melbourne and the unusually cold winter in 2020. Also, cumulative connections outperformance contributed to the outperformance. |  |                   |                              |                     |                                   |  |  |  |  |                               |        |          |           |        |      |            |            |           |       |

Actual



| Variable   | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------|--|-------------------|------------------------------|---------------------|
| Commercial | In previous years, demand data is sourced from the Gas Tariff Approval models submitted as part of the tariff approval process for the years 2019 – 2021 respectively. This is because the volumes used for the tariff approvals are on a t-2 basis, specifically the volumes submitted to enable the approval of 2019 tariffs are 2017 volumes. Tariffs for 2022 have not yet been submitted so the data has been extracted for 2020 as per the normal tariff approval process. | Actual            |                              |                     |
| Industrial | Demand data is sourced from internal reporting on gas volume by MIRN.  | Actual            |                              |                     |

## N1.2 – Demand – by Tariff

| Variable    | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------|---|-------------------|------------------------------|---------------------|
| <b>2020</b> |   |                   |                              |                     |
| Residential | Tariffs for 2022 have not yet been submitted so the data has been extracted for 2020 as per the normal tariff approval process. | Actual            |                              |                     |
| Commercial  | Tariffs for 2022 have not yet been submitted so the data has been extracted for 2020 as per the normal tariff approval process. | Actual            |                              |                     |
| Industrial  | Demand data is sourced from internal reporting on gas volume by MIRN.   | Actual            |                              |                     |

## N2. Network Characteristics

### N2.1 – Network Length – by Pressure and Asset Type

N2.1.1 / N2.1.2 /N2.1.3/N2.1.4 – Network Length – by Pressure and Asset Type – Low Pressure / Medium Pressure / High Pressure / Transmission

| Variable                                       | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--|--|-------------------|------------------------------|---------------------|
| 2020   |  |                   |                              |                     |
|  | <p>Data is compiled based on historic snapshots captured from GIS system, with snapshots taken at year-end dates.</p> <p>All Existing and In Service Pipes only. Abandoned pipe or casing is not included. Uncategorised (unknown size and material) lengths have been excluded. All High Pressure Steel is considered Protected (Coated) steel.</p>   |                   |                              |                     |
| Low Pressure / Medium Pressure / High Pressure | <p>Material was mapped to AER Material categorises using Pipe Codes recorded in GIS:</p> <ul style="list-style-type: none"> <li>• Cast Iron includes all the Pipe Codes starts with C*, D* and W*</li> <li>• PVC contains Pipe Codes P3, P4 and P5</li> <li>• High density polyethylene (575) contains all Pipe Codes that start with P*, except those listed under PVC</li> <li>• Medium Density Polyethylene consists of Medium Density Polyethylene and Medium Density Polyethylene 80</li> <li>• Unprotected Steel is considered Pipe Code S2, with all remaining Pipe Codes beginning with S* considered Protected Steel</li> </ul> | Actual            |                              |                     |

| Variable     | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------|--|-------------------|------------------------------|---------------------|
| Transmission | Transmission data has been extracted from GIS system and the lengths of mains calculated. All transmission pipelines are Coated Steel. | Actual            |                              |                     |

## N2.2 – City Gates/Regulators

| Variable        | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments  |
|-----------------|---|-------------------|------------------------------|--|
| 2020            |   |                   |                              |  |
| City Gate       | <p>City Gates are considered Gate Regulating Station (GRS), which perform the function of pressure reduction of primary network feed from the upstream Transmission pipelines.</p> <p>Data is sourced from historic Regulator Schedules.</p> <p>There is a shared City Gate for Albury and Wodonga - AEMO separates the data for Albury and Wodonga and reports them separately as their own logical gate (one physical facility). We have included this facility in the VIC report submission.</p> | Actual            |                              | Please note this RIN we have used the definition of 'City Gate' from Appendix F – Definitions, while the Reset RIN submission for Victoria and Albury used a different definition for "City Gate". |
| Field Regulator | Field Regulators are considered District Regulator Stations (DRS). Regulating stations (excluding regulating stations at gate stations) are any pressure regulating installations which supply gas into a main at a transmission, high, medium or low   | Actual            |                              | Please note this RIN we have used the definition of 'Field Regulator' from Appendix F – Definitions, while   |

| Variable           | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments   |
|--------------------|---|-------------------|------------------------------|---|
|                    | <p>pressure tiers and is supplied from a pipeline or main at a higher pressure.</p> <p>Progressive decommissioning of regulating stations is expected to take place as parts of the low-pressure network are upgraded to higher pressure as part of network extension and mains replacement programmes.</p> <p>Data is sourced from historic Regulator Schedules.</p> |                   |                              | the Reset RIN submission for Victoria and Albury used a different definition for 'Field Regulator'. |
| District Regulator | <p>The RIN definition of 'Field Regulators' overlaps with the definition of 'District Regulators'. To avoid double counting, AGN will report all as Field Regulators.</p> <p>Thus a 'Null' response is provided for the 'District Regulators' in the reporting template.</p>  |                   |                              |   |

## S1. Customer Numbers

### S1.1 – Customer Numbers – by Customer Type

| Variable                          | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|-----------------------------------|--|-------------------|---|---------------------|
| <b>2020</b>                       |  |                   |   |                     |
| <b>A. Residential</b>             |  |                   |   |                     |
| Customer number as at 1 January   | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Customer number as at 31 December | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Total customer connections        | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Total customer disconnections     | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| <b>B. Commercial</b>              |  |                   |   |                     |
| Customer number as at 1 January   | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Customer number as at 31 December | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the   |                     |

| Variable                          | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|-----------------------------------|--|-------------------|---|---------------------|
|                                   |  |                   | level of granularity required by the Annual RIN template.   |                     |
| Total customer connections        | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Total customer disconnections     | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| <b>C. Industrial</b>              |  |                   |   |                     |
| Customer number as at 1 January   | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Customer number as at 31 December | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Total customer connections        | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| Total customer disconnections     | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |

## S1.2 - Customer Numbers – by Tariff

S1.2.1 – Customer number as at 1 January / S1.2.2 – Customer number as at 31 December

| Variable                         | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|----------------------------------|--|-------------------|---|---------------------|
| 2020                             |  |                   |   |                     |
| Central Zone - Residential       | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| North Zone - Residential         |  |                   |   |                     |
| Murray Valley Zone - Residential |  |                   |   |                     |
| Bairnsdale Zone - Residential    |  |                   |   |                     |
| Central Zone - Commercial        |  |                   |   |                     |
| North Zone - Commercial          |  |                   |   |                     |
| Murray Valley Zone - Commercial  |  |                   |   |                     |
| Bairnsdale Zone - Commercial     |  |                   |   |                     |
| Central Zone - Industrial        |  |                   |   |                     |
| North Zone - Industrial          |  |                   |   |                     |
| Murray Valley Zone - Industrial  |  |                   |   |                     |
| Bairnsdale Zone - Industrial     |  |                   |   |                     |

S1.2.2 – Customer numbers as at 31 December

| Variable                         | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|----------------------------------|--|-------------------|---|---------------------|
| 2020                             |  |                   |   |                     |
| Central Zone - Residential       | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| North Zone - Residential         |  |                   |   |                     |
| Murray Valley Zone - Residential |  |                   |   |                     |
| Bairnsdale Zone - Residential    |  |                   |   |                     |
| Central Zone - Commercial        |  |                   |   |                     |
| North Zone - Commercial          |  |                   |   |                     |
| Murray Valley Zone - Commercial  |  |                   |   |                     |
| Bairnsdale Zone - Commercial     |  |                   |   |                     |
| Central Zone - Industrial        |  |                   |   |                     |
| North Zone - Industrial          |  |                   |   |                     |
| Murray Valley Zone - Industrial  |  |                   |   |                     |
| Bairnsdale Zone - Industrial     |  |                   |   |                     |



S1.2.3 – Total customer connections

| Variable                         | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|----------------------------------|--|-------------------|---|---------------------|
| 2020                             |  |                   |   |                     |
| Central Zone - Residential       | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| North Zone - Residential         |  |                   |   |                     |
| Murray Valley Zone - Residential |  |                   |   |                     |
| Bairnsdale Zone - Residential    |  |                   |   |                     |
| Central Zone - Commercial        |  |                   |   |                     |
| North Zone - Commercial          |  |                   |   |                     |
| Murray Valley Zone - Commercial  |  |                   |   |                     |
| Bairnsdale Zone - Commercial     |  |                   |   |                     |
| Central Zone - Industrial        |  |                   |   |                     |
| North Zone - Industrial          |  |                   |   |                     |
| Murray Valley Zone - Industrial  |  |                   |   |                     |
| Bairnsdale Zone - Industrial     |  |                   |   |                     |

S1.2.4 – Total customer disconnections

| Variable                         | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|----------------------------------|--|-------------------|---|---------------------|
| 2020                             |  |                   |   |                     |
| Central Zone - Residential       | Customer number data was sourced from APA's customer care and billing (CC&B) database. | Estimate          | This data has been classified as an estimate to satisfy the level of granularity required by the Annual RIN template. |                     |
| North Zone - Residential         |  |                   |   |                     |
| Murray Valley Zone - Residential |  |                   |   |                     |
| Bairnsdale Zone - Residential    |  |                   |   |                     |
| Central Zone - Commercial        |  |                   |   |                     |
| North Zone - Commercial          |  |                   |   |                     |
| Murray Valley Zone - Commercial  |  |                   |   |                     |
| Bairnsdale Zone - Commercial     |  |                   |   |                     |
| Central Zone - Industrial        |  |                   |   |                     |
| North Zone - Industrial          |  |                   |   |                     |
| Murray Valley Zone - Industrial  |  |                   |   |                     |
| Bairnsdale Zone - Industrial     |  |                   |   |                     |

## S10. Network Quality

### S10.1 – Pressure Faults

| Variable  | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---|--|-------------------|------------------------------|---------------------|
| 2020  |  |                   |                              |                     |
| Poor Pressure events – mains                                    | AGN is unable to populate this field as we do not measure poor pressure events on mains and have no basis to make an estimate.<br>Thus a 'Null' response is provided in the reporting template.  |                   |                              |                     |
| Poor Pressure events – services / Poor Pressure events – meters | <p>We do not distinguish poor pressure events at service or meter. All poor pressure events are considered at the Meter.</p> <p>Data is sourced from a SSAS tabular data model utilising data sourced from the current Maximo instance.</p> <p>In order to capture Poor Pressure events, all Supply Investigations were captured where:</p> <ul style="list-style-type: none"> <li>• Work Order Status and Outcome is Complete,</li> <li>• Investigation Result excludes Downstream Customer Problem, No Fault Found, and Planned Network Activity, and</li> <li>• There was no Supply Loss</li> </ul> <p>Work Orders for the same location on the same day were considered duplicates and removed. Work Orders are grouped by interruption start day and location to categorise as an <i>event</i>.</p> |                   |                              |                     |

| Variable                                    | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---|--|-------------------|------------------------------|---------------------|
| Pressure events impacting 5+ customers      | <p>This variable was calculated using the same data set used to calculate poor pressure events for Meters.</p> <p>As part of grouping Work Orders as <i>events</i>, a count of customers was captured. This variable counts the number of events where the count of customers was 5 or more.</p> | Actual            |                              |                     |
| Pressure events with > 12 hours restoration | <p>This variable was calculated using the same data set used to calculate poor pressure events for Meters.</p> <p>Duration is considered from Work Order Report Date to Actual Finish Date.</p>  | Actual            |                              |                     |

## S11. Network Reliability

### S11.1 – Network Outages

#### S11.1.1 – Planned

| Variable                       | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------------------------|--|-------------------|------------------------------|---------------------|
| 2020                           |  |                   |                              |                     |
| Count of outage events         | <p>Planned outages are considered Mains Renewal activities. A single service impacted by Mains Renewal work is considered a single event.</p> <p>During the planning phase of Mains Renewal, GIS system is used to identify all impacted services for the location targeted for Mains Renewal Programs (MRP). These services are listed in a manual tracking spreadsheet. Individual customer addresses are identified as an inlet may service multiple customers.</p> <p>As the planned work is executed, the specific service and date the customer was impacted is captured. This information is later added to the manual tracking spreadsheet.</p> <p>There was no planned network renewal activity within the Albury network 2020.</p> | Actual            |                              |                     |
| Outages affecting 5+ customers | <p>A single service impacted by Mains Renewal work is considered a single event. As such, there are no 5+ customer outages captured.</p> <p>Thus a 'Null' response is provided in the reporting template.</p>  |                   |                              |                     |

| Variable                                    | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---|---|-------------------|------------------------------|---------------------|
| Outages with > 12 hours supply interruption | Each planned outage is assumed 6 hours in duration. As such, there are no outages > 12 hours supply interruption. Thus a 'Null' response is provided in the reporting template. |                   |                              |                     |

### S11.1.2 – Unplanned

| Variable               | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------------------|--|-------------------|------------------------------|---------------------|
| 2020                   |  |                   |                              |                     |
| Count of outage events | <p>Data is comprised of a combination of single service customer raised Gas Supply Investigation Work Orders or Syphon Maintenance Work Orders, and manually tracked Incidents affecting 5 or more customers.</p> <p>Work Orders were sourced from a SSAS tabular data model utilising data sourced from the current Maximo instance.</p> <p>All Supply Investigation and Syphon Maintenance Work Orders were captured where there was a Loss of Supply.</p> <p>Cancelled Jobs were excluded, and duplicates were removed.</p> <p>Interruptions that occurred within the</p> | Actual            |                              |                     |

|   |  |        |
|---|--|--------|
|   | <p>same locale and on the same day were grouped as events.</p> <p>Data was combined with Regulatory Incident tracking. Interruptions on the same day and location were considered part of the same event.</p>  |        |
| Outages affecting 5+ customers              | <p>This variable was calculated using the same data set used to calculate Count of Outage events. Events with 5 or more customers were identified.</p>   | Actual |
| Outages with > 12 hours supply interruption | <p>This variable was calculated using the same data set used to calculate Count of Outage events. Interruption duration is calculated from the Actual Start of the Supply Investigation to the Actual Finish of the Primary or Follow-up Work Order.</p> | Actual |

## S11.2 – Leaks – by Asset Type and Cause of Leak

### S11.2.1 / S11.2.2 / S11.2.3 – Low Pressure / Medium Pressure / High Pressure

| Variable      | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments   |
|---------------|---|-------------------|--|---|
| 2020          |   |                   |  |   |
| Number per KM | <p>Data is sourced from a Maximo relational database.</p> <p>All Leak Investigation and Leak Repair Work Orders with Problem Code of Leak were considered.</p> <p>Data is limited to Main and Service leaks as these map directly to the Material Types provided in the template. Meter Leaks are excluded, as they do not directly map to the provided Material Types. It is considered that including Meter Leaks may cause an incorrect, or otherwise skewed measure of material fault rates.</p> <p>Material Type is a manually populated field and may be aggregated or unspecified. To match the materials in the RIN template, the data is cleansed using the following logic:</p> <ul style="list-style-type: none"> <li>When the specified Material/Pressure combination exists within GIS for the street location, it is used</li> <li>When the specified Material could reflect multiple different materials (for example, PE_YELLOW could refer to HDPE250, HDPE575, or MDPE) the most prevalent</li> </ul> | Estimate          | <p>Material Type and Pressure were derived based on the mentioned assumptions.</p> <p>Also it is expected that deriving the material type and pressure to align to the template may alter historically reported historic material fault rates.</p> | Note the leak data in S11.2 includes publicly reported leaks, leaks found through survey as well as internally generated leaks. |



| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
|          | <p>similar coloured material for the street location is selected</p> <ul style="list-style-type: none"> <li>When the specified Material does not exist within GIS for the street location, the most prevalent Material/Pressure combination for the street is used.</li> </ul> <p>All High Pressure Steel is considered Protected (Coated) steel. HP Uncoated Steel Piping (USP) leaks were re-categorised as HP Coated Steel Piping (CSP).</p> <p>Pressure is not captured for all Work Orders. Where not captured, Pressure is based on the nominal pressure for the noted Material.</p> <p>As there is no Low/Medium pressure network in the Albury regulated network, all leaks are considered on High Pressure.</p> |                   |                              |                     |

### S11.3 – Unaccounted for Gas – Transmission and Distribution

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|----------|--|-------------------|---|---------------------|
| 2020     |  |                   |   |                     |
| Total    | Data is sourced from internal estimates using AEMO MIBB reports and basic meter consumption allocation models. | Estimate          | Interval meter data in Victoria is subject to a 6 month revision period so estimates are used to get an |                     |

| Variable | Data source, Methodology and Assumptions | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|----------|--|-------------------|--|---------------------|
|          |  |                   | <p>indication of UAFG volumes. Also, the Victorian Gas Distribution System Code allows 16 months after the end of the calendar year to provide notice to AEMO of gas withdrawals. Estimates of UAFG are used in the interim.</p> |                     |

## S14. Network Integrity

### S14.1 – Loss of Containment

#### S14.1.1 – Mains/ S14.1.2 – Services / S14.1.3 – Meters

| Variable                                   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments   |
|--|---|-------------------|------------------------------|---|
| 2020                                       |   |                   |                              |   |
| Number of leaks – publicly reported (#)    | <p>Data sourced from a SSAS tabular data model utilising data sourced from the current Maximo instance. Work Order Classification of Leak Investigation, and Status Complete. Cancelled Jobs and No Leak Found were excluded. Leak Job Asset Class of Main, Meter, and Service were used.</p> <p>Please note we have only reported publicly reported leaks where a leak was identified by a member of the public and a gas escape was confirmed by personnel attending site. Leaks data doesn't include those found through survey or those internally generated.</p> <p>Services Leaks include Upstand (UPSD) and Service Tee (SRTE) leaks and Meter Leaks also include those on Regulator (REG) and Valve (VA).</p> | Actual            |                              | In order to derive total public reported leaks for the regulated network, Mildura network Public Reported Leaks were manually subtracted from totals. |
| Number of leaks – found through survey (#) | <p>Leak Survey Work Orders were sourced from a SSAS tabular data model utilising data sourced from the current Maximo instance.</p> <p>Leak Survey Leaks were identified as Leak Category of Leak Survey Reported, and Leak Job Status of COMP or CLOSE.</p>  | Actual            |                              |   |

| Variable                                 | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--|--|-------------------|------------------------------|---------------------|
| Repaired leaks (#)                       | Total repaired leaks = repaired public reported leaks + repaired leaks found through survey.   | Actual            |                              |                     |
| Length of network subject to survey (km) | Leak Survey Work Orders were sourced from a SSAS tabular data model utilising data sourced from the current Maximo instance. Leak Survey Work Orders were identified as Work Order Classification of LEAKSURV and Work Order Status of COMP. | Actual            |                              |                     |

## S14.2 – Instances of Damage

| Variable                                | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments   |
|---|---|-------------------|------------------------------|---|
| 2020                                    |   |                   |                              |   |
| Mains (#)<br>Services (#)<br>Meters (#) | Data is sourced from a SSAS tabular data model utilising data sourced from the current Maximo instance. All completed Leak Repair Work Orders with Failure Class of Meter, and Cause of Third Party Damage. | Actual            |                              | In order to derive total instances of damage for the VIC regulated network, Mildura network Public Reported Leaks were manually subtracted from totals. |

## F1. Income

### F1.1 – Audited Statutory Accounts

#### F1.1.1 – Revenue

| Variable             | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------------------|---|-------------------|------------------------------|---------------------|
| 2020                 | <p><i>Unless otherwise stated below, amounts reported in this table F1.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p>  |                   |                              |                     |
| Distribution revenue | <p>Revenue reported in this table, including Distribution revenue, has been derived from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which are used to prepare the consolidated AGN Limited audited statutory accounts.</p> <p>Total aggregated revenue as reported in the audited statutory accounts has been adjusted in this table to separately report the Capital Contributions amounts (and other categories of revenue) provided below. Audited statutory revenue includes revenue for Ancillary Reference Services and Non-reference Services which has been dissected to report the amounts in tables F3.2 and F3.4. This revenue flows through to the Distribution Business Revenue shown in table F1.3.</p> | Actual            |                              |                     |
| Capital contribution | Capital contribution revenue reported in this table has been sourced from the SAP General Ledgers for AGN Victoria and AGN Albury, with reference to specific GL account codes that relate to other   | Actual            |                              |                     |

| Variable                          | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-----------------------------------|---|-------------------|------------------------------|---------------------|
|                                   | <p>revenue items which represent contributions from customers that request work to be undertaken.</p> <p>As mentioned above, Capital contributions is not separately reported in the audited statutory accounts prepared by AGN Limited and has therefore been adjusted for against the aggregated revenue to provide the separate revenue figures required in this table.</p> <p>Total revenue reported has been reconciled to the SAP General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.</p> |                   |                              |                     |
| Profit from sales of fixed assets | <p>There are no amounts to report for Profit from sales of fixed assets in 2020.</p> <p>Any amounts to be reported in this category of Revenue can be derived from the SAP General Ledgers which are maintained for AGN Victoria and AGN Albury and which are used to prepare the consolidated AGN Limited group audited statutory accounts.</p>  | Actual            |                              |                     |
| Other revenue                     | <p>Other revenue reported in this table has been sourced from the SAP General Ledgers which are maintained for AGN Victoria and AGN Albury and which are used to prepare the consolidated AGN Limited group audited statutory accounts.</p> <p>The amounts reported represent the other revenue items not separately reported in this RIN table.</p>  | Actual            |                              |                     |

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
|          | <p>Other revenue in this category includes miscellaneous items of unregulated revenue for AGN Victoria and AGN Albury, which was included in the consolidated AGN Limited group consolidated audited statutory accounts for 2020.</p> <p>Other revenue for AGN Victoria, includes intercompany charges recovered from AGN Albury, however these amounts are eliminated on consolidation (including the intercompany expense in AGN Albury), in accordance with the consolidated Access Arrangement for Victoria and Albury, such that there are no related amounts reported in this table F1.1 for the AGN Victoria and AGN Albury Distribution Businesses.</p> |                   |                              |                     |

### F1.1.2 – Expenditure

| Variable              | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-----------------------|--|-------------------|------------------------------|---------------------|
| 2020                  | <p><i>Unless otherwise stated below, amounts reported in this table F1.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p> |                   |                              |                     |
| Operating expenditure | Expenditure reported in this table, including Operating expenditure, has been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in   | Actual            |                              |                     |

| Variable             | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------------------|--|-------------------|------------------------------|---------------------|
|                      | <p>the consolidated AGN Limited group audited statutory accounts.</p> <p>The amounts reported for Operating expenditure in this table represents the same total expenditure for all of the Opex categories reported in table F4.1 – Opex of the RIN template.</p>  |                   |                              |                     |
| Depreciation         | <p>The amounts of Depreciation reported in this table have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.</p> <p>The amounts reported represent the 'Audited Statutory Accounts' Depreciation and Amortisation expenses determined by AGN Limited in accordance with relevant accounting standards. The actual amounts reported in the audited statutory accounts may include Impairment losses, therefore adjustments will be made to Depreciation in order to separately report Impairment losses as required below.</p> | Actual            |                              |                     |
| Net finance expenses | <p>The amounts of Net finance expenses reported in this table have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.</p>  | Actual            |                              |                     |



| Variable                        | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|---|-------------------|------------------------------|---------------------|
| Loss from sales of fixed assets | <p>There are no amounts to report for Losses from sales of fixed assets for AGN Victoria or AGN Albury in 2020.</p> <p>The Losses from sales of fixed assets can be sourced from detail captured in the General Ledgers for AGN Victoria and AGN Albury. Analysis of detailed transactions recorded in the SAP GL's enables AGN Limited to separate profits and losses from sale, which are netted off in the audited statutory accounts (when applicable).</p> <p>When reported in this RIN table, total profits and losses are reconciled to the General Ledgers for AGN Victoria and AGN Albury which are used to prepare the consolidated AGN Limited group audited statutory accounts.</p> | Actual            |                              |                     |
| Impairment losses               | <p>There are no amounts to report for Impairment Losses for AGN Victoria or AGN Albury in 2020.</p> <p>Any Impairment losses reported in this table can be sourced from information captured in the General Ledgers for AGN Victoria and AGN Albury, specifically with reference to a unique GL account code that is used to record Impairment losses.</p> <p>As mentioned above, Impairment losses are reported in AGN Victoria, AGN Albury and AGN Limited's Audited Statutory Accounts as part of Depreciation expenses. Hence, as compared to the audited statutory accounts, the Depreciation expenses reported in this table above, will be</p>   | Actual            |                              |                     |

| Variable       | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------------|---|-------------------|------------------------------|---------------------|
|                | adjusted for the relevant amounts of Impairment losses (if applicable in any given year).   |                   |                              |                     |
| Other expenses | <p>The amounts of Other Expenses reported in this table have been sourced from information captured in the General Ledgers for AGN Victoria and AGN Albury, specifically with reference to GL account codes that are used to record intercompany charges which wholly relate to the amounts shown in this table.</p> <p>As noted above for Other Revenue, intercompany charges between AGN Victoria and AGN Albury are eliminated on consolidation, in accordance with the consolidated Assess Arrangement for Victoria and Albury. Therefore, the intercompany expense shown in AGN Albury's accounts (along with the corresponding revenue in AGN Victoria) is eliminated and not reported in this table F1.1.</p> <p>There are also intercompany charges between AGN Victoria and its parent entity which are included in Other expenses. These are not eliminated or adjusted out in table F1.2 below and are therefore also reported in table F1.3 for the AGN Victoria Distribution Business against this category of Other expenses.</p> | Actual            |                              |                     |

F1.1.3 – Profit

| Variable                       | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------------------------|---|-------------------|------------------------------|---------------------|
| 2020                           | <p><i>Unless otherwise stated below, amounts reported in this table F1.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p>                      |                   |                              |                     |
| Income tax expenses / benefits | <p>Amounts for Income tax expenses/(benefits) reported in this table represents the actual Income tax expense/(benefit) for AGN Victoria and AGN Albury, as recorded in their respective SAP General Ledgers which are used to prepare the consolidated AGN Limited group audited statutory accounts.</p> <p>Since 2015, following the change in ownership on 29 August 2014, AGN Limited's tax year end is aligned with the regulatory year end for AGN Victoria and AGN Albury.</p> | Actual            |                              |                     |

## F1.2 – Adjustments

### F1.2.1 – Revenue

| Variable             | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------------------|--|-------------------|------------------------------|---------------------|
| 2020                 | <p><i>Unless otherwise stated below, amounts reported in this table F1.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p>                     |                   |                              |                     |
| Distribution revenue | <p>Adjustments shown in this table F1.2 represent the differences between the ‘Audited Statutory Accounts’ amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |
| Capital contribution | <p>Adjustments shown in this table F1.2 represent the differences between the ‘Audited Statutory Accounts’ amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table</p>   | Actual            |                              |                     |

| Variable                          | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-----------------------------------|--|-------------------|------------------------------|---------------------|
|                                   | F1.3 for the AGN Victoria and AGN Albury Distribution Business.  |                   |                              |                     |
| Profit from sales of fixed assets | <p>Adjustments shown in this table F1.2 represent the differences between the 'Audited Statutory Accounts' amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |
| Other revenue                     | <p>Adjustments shown in this table F1.2 represent the differences between the 'Audited Statutory Accounts' amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |

## F1.2.2 – Expenditure

| Variable              | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|-----------------------|--|-------------------|--|---------------------|
| 2020                  | <p><i>Unless otherwise stated below, amounts reported in this table F1.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p>                     |                   |  |                     |
| Operating expenditure | <p>Adjustments shown in this table F1.2 represent the differences between the ‘Audited Statutory Accounts’ amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |  |                     |
| Depreciation          | <p>Adjustments shown in this table F1.2 represent the differences between the ‘Audited Statutory Accounts’ amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Estimate          | <p>The regulatory depreciation amount reported below in table F1.3.2 has been sourced from the Roll Forward Model (RFM), as per current AGIG modelling for the 2023 – 2027 period.</p> <p>As explained below in table F1.3.2, given regulatory depreciation information is not statutory accounting information it has been classified as an</p> |                     |

| Variable                        | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|---------------------------------|--|-------------------|---|---------------------|
|                                 |  |                   | estimate for the purposes of Workbook 1. Therefore, the adjustment amount between statutory and regulatory depreciation as reported in this table F1.2.2 is also classified as estimated information. |                     |
| Net finance expenses            | <p>Adjustments shown in this table F1.2 represent the differences between the 'Audited Statutory Accounts' amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |   |                     |
| Loss from sales of fixed assets | <p>Adjustments shown in this table F1.2 represent the differences between the 'Audited Statutory Accounts' amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |   |                     |

| Variable          | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------|--|-------------------|------------------------------|---------------------|
| Impairment losses | <p>Adjustments shown in this table F1.2 represent the differences between the 'Audited Statutory Accounts' amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |
| Other expenses    | <p>Adjustments shown in this table F1.2 represent the differences between the 'Audited Statutory Accounts' amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |



F1.2.3 – Profit

| Variable                       | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------------------------|--|-------------------|------------------------------|---------------------|
| 2020                           | <p><i>Unless otherwise stated below, amounts reported in this table F1.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p>                     |                   |                              |                     |
| Income tax expenses / benefits | <p>Adjustments shown in this table F1.2 represent the differences between the ‘Audited Statutory Accounts’ amounts reported in table F1.1 above and amounts for the Distribution Business reported below in table F1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |

## F1.3 – Distribution Business

F1.3.1, F1.3.2 and F1.3.3 are formula driven tables calculated based on the tables in F1.1 and F1.2.

### F1.3.1 – Revenue

| Variable                          | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-----------------------------------|---|-------------------|------------------------------|---------------------|
| 2020                              | <p><i>Amounts reported in F1.3 have been sourced from the SAP General Ledgers for AGN Victoria and AGN Albury. Revenue and expenditure for AGN Victoria and AGN Albury reported below has been determined with reference to the Ring Fenced Accounts, regulatory accounting policies and the processes outlined in the Cost Allocation Methodology document that accompanies this RIN response.</i></p> <p><i>Distribution Business Income Statement information reported in table F1.3 is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p> |                   |                              |                     |
| Distribution revenue              | Distribution revenue figures reported in this table have been linked to the total revenue reported in table F3.5 – Total Revenue. Therefore, these amounts include revenue for Haulage Services, Ancillary Reference Services and Non-Reference Services. Refer to the sections of this Basis of Preparation document related to tab F3.  | Actual            |                              |                     |
| Capital contribution              | In accordance with the Regulatory Accounting Policies document, the amount of Capital contributions received from customers is not treated as operating income but rather deducted from the related Capex incurred by AGN Victoria and AGN Albury, such that the net cost is reflected in the RAB. Hence, there is no Capital contributions revenue to report in this table.  | Actual            |                              |                     |
| Profit from sales of fixed assets | The amount of Profit from sales of fixed assets related to the Victoria and Albury AAs can be identified with reference to Asset Retirement Reports from AGN Limited's SAP Fixed Assets Register, where these reports identify transactions   | Actual            |                              |                     |

| Variable      | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------|--|-------------------|------------------------------|---------------------|
|               | <p>by state. For any assets that were not on the Fixed Assets Register, the relevant amounts for the Victoria and Albury AA's can be identified with reference to the SAP GL account code used to record such transactions (Other Income – Miscellaneous) and where transaction narrations identify the related business/state for each entry. Profit from sale of fixed assets is determined with reference to statutory asset values, given the regulatory asset base does not contain this level of detail.</p> <p>AGN Victoria and AGN Albury had no amounts to report for Profit from sales of fixed assets in relation the Distribution Businesses in 2020 or in in table F1.1 - Audited Statutory Accounts above.</p> |                   |                              |                     |
| Other revenue | AGN Victoria and AGN Albury has no Other revenue to report in relation to the Victoria and Albury AA's for the periods covered by this Historical Annual RIN template.   | Actual            |                              |                     |

### F1.3.2 – Expenditure

| Variable              | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|-----------------------|---|-------------------|---|---------------------|
| 2020                  | <p><i>Amounts reported in F1.3 have been sourced from the SAP General Ledgers for AGN Victoria and AGN Albury. Revenue and expenditure for AGN Victoria and AGN Albury reported below has been determined with reference to the Ring Fenced Accounts, regulatory accounting policies and the processes outlined in the Cost Allocation Methodology document that accompanies this RIN response.</i></p> <p><i>Distribution Business Income Statement information reported in table F1.3 is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p>                   |                   |   |                     |
| Operating expenditure | The amounts reported in this table for Operating expenditure have been linked to the Opex amounts reported in table F4.1.3 of the RIN template, with an adjustment to separately report Loss from sales of fixed assets (if applicable) as required this table. That is, the sum of amounts reported in this table (F1.3.2) for Operating expenditure and Loss from sales of fixed assets (if applicable), agrees with the total expenditure reported in table F4.1.3 for each year.  | Actual            |   |                     |
| Depreciation          | The amounts reported in this table for Depreciation reflects the regulatory allowances for nominal straight-line depreciation as per the AER’s determinations for the Victoria and Albury AAs. This information is recorded in, amongst other sources, the Roll Forward Model for AGN Victoria and AGN Albury for the current AA periods. The regulatory allowances for nominal straight-line depreciation is reflective of regulatory asset lives and the policies outlines in AGN Limited’s Regulatory Accounting Principles and Policies document. Therefore, this is considered the appropriate basis of reporting Depreciation | Estimate          | <p>The regulatory depreciation amount reported in this table has been sourced from the Roll Forward Model (RFM), as per current AGIG modelling for the 2023 – 2027 period.</p> <p>Consistent with the use of data from the RFM in Table F10.1 – Capital Base Values, given the regulatory depreciation information is not statutory accounting information it has</p> |                     |

| Variable                        | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)                                   | Additional Comments |
|---------------------------------|---|-------------------|--|---------------------|
|                                 | expenditure, as compared with the amounts reported in the Audited Statutory Accounts.   |                   | been classified as an estimate for the purposes of Workbook 2. |                     |
| Net finance expenses            | <p>The amounts reported in this table for Net finance expenses has been sourced from the consolidated audited statutory accounts for AGN Limited, with an adjustment for the Debt raising costs and interest costs associated with finance leases on business premises which are separately reported in this table (included in Operating expenditure) and in table F4.1.3 – Opex. Finance lease costs for business premises occupied by AGN Limited, AGN Victoria and AGN Albury are reported as Rent expenses for regulatory accounting purposes, as set out in the Regulatory Accounting Principles and Policies document.</p> <p>As already mentioned in table E1.2 – Opex, AGN Limited manages its debt finance facilities for the group as a whole, not for each individual AA. An allocation of the Net finance expenses for AGN Limited has been made to the Victoria and Albury Distribution Businesses based on the Victoria and Albury RABs as a proportion of AGN Limited's total asset base, including a separate allocation for unregulated assets. This is consistent with the AGN Limited Regulatory Accounting Principles and Policies document and Cost Allocation Methodology.</p> | Actual            |  |                     |
| Loss from sales of fixed assets | There are no amounts to report for Losses from sales of fixed assets for AGN Victoria or AGN Albury in 2020.  | Actual            |  |                     |

| Variable          | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------|---|-------------------|------------------------------|---------------------|
|                   | <p>The amount of Losses from sales of fixed assets related to the Victoria and Albury AAs can be identified with reference to Asset Retirement Reports from AGN Limited's SAP Fixed Assets Register, where these reports identify transactions by state.</p> <p>For any assets that are not on the Fixed Assets Register, the relevant amounts for the Victoria and Albury AAs can be identified with reference to the SAP GL account code used to record such transactions (Other Income – Miscellaneous) and where transaction narrations identify the related business/state for each entry. Losses from sale of fixed assets is determined with reference to statutory asset values, given the regulatory asset base does not contain this level of detail.</p> |                   |                              |                     |
| Impairment losses | AGN Victoria and AGN Albury has no Impairment losses expenditure to report for the Victoria and Albury AA in relation to the years covered by this RIN template.  | Actual            |                              |                     |
| Other expenses    | <p>AGN Victoria and AGN Albury has no Other expenses to report for the Victoria and Albury AAs in 2020. Noting the Other expenses reported in table F1.1 - Audited Statutory Accounts, represents intercompany charges which are adjusted out via table F1.2 – Adjustments.</p> <p>All of the expenditure related to the Victoria and Albury AAs for the relevant years has been reported in other categories of expenditure in this RIN table.</p>   | Actual            |                              |                     |

### F1.3.3 – Profit

| Variable                       | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|--------------------------------|---|-------------------|--|---------------------|
| 2020                           | <p><i>Amounts reported in F1.3 have been sourced from the SAP General Ledgers for AGN Victoria and AGN Albury. Revenue and expenditure for AGN Victoria and AGN Albury reported below has been determined with reference to the Ring Fenced Accounts, regulatory accounting policies and the processes outlined in the Cost Allocation Methodology document that accompanies this RIN response.</i></p> <p><i>Distribution Business Income Statement information reported in table F1.3 is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated access arrangement”.</i></p> |                   |  |                     |
| Income tax expenses / benefits | The amount reported for Income tax expenses in this table represent 30% of the Profit before tax, as shown in this table and is based on the Australian corporate tax rate.   | Estimate          | <p>Given the actual income tax expenses for AGN Limited is determined for the consolidated group and not specifically for the Victoria and Albury distribution businesses, the approach has been to calculate income tax expenses for the purpose of this Annual RIN, by applying the standard corporate tax rate of 30% to the Profit (before tax) figure as reported in this table. For this reason, AGN Limited considers the Income tax expense amount being reported for 2013 to 2019 is estimated information.</p> |                     |

## F2. Capex

### F2.4 – Capex by Asset Class

#### F2.4.2 – Actual – As Incurred

| Variable         | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------------|--|-------------------|------------------------------|---------------------|
| 2020             | <p><i>Refer to Appendices A and C for a description of the systems and processes that support AGN Limited's cost capture and reporting of Capex including Overheads expenditure as presented below.</i></p> <p><i>Unless otherwise noted below, the amounts of Capex reported in this table have been sourced from the Capex Data Model provided by APA and have been reconciled to the SAP General Ledgers and movements in the Fixed Assets Registers that are maintained for AGN Victoria and AGN Albury.</i></p>   |                   |                              |                     |
| Mains & Services | <p>Expenditure on Mains relates to a low pressure, medium pressure, or high pressure pipe in the AGN Victoria and Albury gas distribution networks, other than a service pipe. Services are the service pipes (inlets) that run from the mains which is typically in the street and a customer's meter on their property.</p> <p>Capex, as also reported in table E.1.1.1 Reference Services Capex by Purpose, includes projects related to:</p> <p>Mains Replacement</p> <ul style="list-style-type: none"> <li>• Mains Augmentation;</li> <li>• Mains Replacement</li> <li>• Mains related to any new connections for all connection types (inclusive of any growth infill projects); and</li> <li>• Projects in Other Capex, for example Mains Alteration and any other related major projects</li> </ul> | Actual            |                              |                     |



| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
|          | <p>Capex reported for Mains has been identified with reference to the expenditure captured in APA's Oracle finance system against activities that include mains in the activity description. Major projects that are known to be related to mains and major projects in growth infill areas have also been included.</p> <p>Capex reported for Services has been identified with reference to the expenditure captured in APA's Oracle finance system against activities that include service in the description.</p>   |                   |                              |                     |
| Meters   | <p>A meter is an instrument that measures the quantity of gas passing through it and includes associated equipment attached to the instrument to filter, control or regulate the flow of gas.</p> <p>Expenditure reported in this category includes the cost of new and refurbished meters installed into the AGN Victoria and Albury networks for operation.</p> <p>Capex reported includes Meters related to meter replacement and any new connections for all connection types (inclusive of any growth infill projects).</p> <p>Capex reported for Meter projects has been identified with reference to the expenditure captured in APA's Oracle finance system against activities with meter in the description.</p> | Actual            |                              |                     |

| Variable           | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------------|--|-------------------|------------------------------|---------------------|
| Buildings          | <p>AGN Limited has no amounts to report for expenditure on buildings for AGN Victoria or AGN Albury in 2020.</p> <p>Expenditure reported in this category would include the cost of new and refurbished or significantly modified buildings owned by AGN Victoria, AGN Albury or AGN Limited (i.e. head office).</p> <p>Capex reported for Buildings can be identified with reference to AGN Limited's General Ledger and the working papers prepared for the process of cost allocation to companies within the AGN Limited group. This cost allocation process is set out in the AGN Limited Cost Allocation Methodology document.</p> | Actual            |                              |                     |
| SCADA              | <p>SCADA (Supervisory control and data acquisition) projects includes capital expenditure incurred in the replacement of telemetry equipment operating in the network due to the condition of the assets.</p> <p>Expenditure reported for SCADA Capex projects has been identified with reference to the expenditure captured in APA's Oracle finance system with telemetry included in the activity name.</p>   | Actual            |                              |                     |
| Computer Equipment | <p>Computer Equipment expenditure includes capital expenditure associated with ICT assets (e.g. physical hardware and software and the associated development and implementation costs</p>   | Actual            |                              |                     |

| Variable     | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------|---|-------------------|------------------------------|---------------------|
|              | <p>that are capitalised in accordance with relevant accounting standards and policies).</p> <p>Expenditure reported for Computer Equipment capex projects has been identified with reference to specific project names in APA's Oracle finance system that are known to be ICT projects (e.g. relevant ICT activity descriptions are included in the project names).</p> <p>Computer Equipment capex projects also includes related capex incurred internally by AGN Limited for the Victoria and Albury networks. This Capex can be identified with reference to the General Ledgers for AGN Victoria, AGN Albury and AGN Limited and the working papers prepared for the process of cost allocation to companies within the AGN Limited group. This cost allocation process is set out in the AGN Limited Cost Allocation Methodology document.</p> <p>Refer to Appendix E for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types:</p> <ul style="list-style-type: none"> <li>• "Head Office Additions and Other Adjustments" for Other Capex incurred by AGN Limited.</li> </ul> |                   |                              |                     |
| Other Assets | Expenditure reported for Other Assets includes other distribution equipment capex which relates to distribution equipment that is not related to other RIN template categories.   | Actual            |                              |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
|          | <p>Expenditure in Other Assets also includes other non-distribution capex projects (as explained below).</p> <p>In relation to other distribution equipment capex, activity codes include Regulators, Other Network Stopple Equipment, Corrosion and major projects relating to gate stations and water bath heaters.</p> <p>Other non-distribution capex projects may include expenditure on leasehold improvements to buildings or offices utilised by AGN Victoria, AGN Albury or AGN Limited (i.e. head office). Expenditure reported in this category can also include office furniture and equipment, other than computer equipment which is reported in this table against the category Computer Equipment.</p> <p>This Capex forms the Other Assets Capex reported in table E.1.1.1.</p> <p>Expenditure reported for Other Assets Capex has been identified with reference to specific project names in APA's Oracle finance system that are known to be other distribution equipment and miscellaneous other projects that are not otherwise related to the other categories in this RIN table.</p> <p>Other non-distribution Capex can also be identified with reference to the General Ledgers for AGN Victoria, AGN Albury and AGN Limited and the working papers prepared for the process</p> |                   |                              |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
|          | <p>of cost allocation to companies within the AGN Limited group. This cost allocation process is set out in the AGN Limited Cost Allocation Methodology document.</p> <p>Refer to Appendix E for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment types:</p> <ul style="list-style-type: none"> <li>• “Head Office Additions and Other Adjustments” for Other Capex directly incurred by AGN Limited.</li> </ul> |                   |                              |                     |
| Land     | There was no expenditure on land for AGN Victoria and Albury in 2020, therefore there is no expenditure to report in this RIN table for those years.   | Actual            |                              |                     |

#### F2.4.3 – Movement in Provisions Allocated to As-Incurred Capex

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
| 2020     |   |                   |                              |                     |
| Mains    | <p>AGN Limited has no movement in provisions allocated to As-Incurred Capex for AGN Victoria and Albury in 2020.</p> <p>Thus, we provide a ‘Null’ response in the RIN template.</p> |                   |                              |                     |

## F2.5 - Capital Contributions by Asset Class

### F2.5.1 – Actual – As Incurred

| Variable         | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|------------------|---|-------------------|--|---------------------|
| 2020             |   |                   |  |                     |
| Mains & Services | <p>The amount of Capital contributions reported for New Homes (domestic customers) has been derived from invoiced revenue. This revenue mostly funds the economic shortfall for Mains.</p> <p>The amount of Capital Contributions reported for Industrial &amp; Commercial Contract customers, is derived from the amounts of related capex incurred, as reported by APA in the Capex Data Model (with an adjustment to the allocated NMF as set out in the Regulatory Accounting Policy i.e. 50% is capitalised for regulatory reporting) with the activities New Mains – I&amp;C &gt;10TJ and New Service – I&amp;C&gt;10TJ).</p> <p>The amounts of Capital Contributions reported for mains alteration works is derived from the amounts of related capex incurred, as reported by APA in the Capex Data Model (with an adjustment to the allocated NMF as set out in the Regulatory Accounting Policy i.e. 50% is capitalised for regulatory reporting with the activity Mains Alterations – Chargeable or a specific major project).</p> | Actual            | <p>Capital contributions for works undertaken at Industrial &amp; Commercial Contract customers' request are typically received up-front or in milestone payments that do not necessarily match the timing of related expenditure incurred by AGN Limited.</p> <p>Accordingly, in order to match Capital contributions received with related Capex incurred, the amounts reported for Capital contributions related to Mains &amp; Services has been derived from the amounts of Capex incurred on these projects.</p> <p>Rather than deriving these amounts from payments received, this approach is considered by AGN Limited to be a better representation of the Capital contributions relating to the activity undertaken in each year.</p> |                     |

| Variable           | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|--------------------|---|-------------------|---|---------------------|
| Meters             | <p>The amount of Capital Contributions reported for Industrial &amp; Commercial Contract customers, is derived from the amounts of related capex incurred, as reported by APA in the Capex Data Model (with an adjustment to remove the allocated NMF with the following activities):</p> <ul style="list-style-type: none"> <li>• Meter – Fabrication &gt; 10TJ</li> <li>• Meter – Installation &gt; 10TJ</li> <li>• Meter – Growth – I&amp;C &gt; 10TJ</li> </ul> | Actual            | <p>Capital contributions for works undertaken at customers' request are typically received up-front or in milestone payments that do not necessarily match the timing of related expenditure incurred by AGN Limited.</p> <p>Accordingly, in order to match Capital contributions received with related Capex incurred, the amounts reported for Capital contributions related to Meters has been derived from the amounts of Capex incurred on these projects.</p> <p>Rather than deriving these amounts from payments received, this approach is considered by AGN Limited to be a better representation of the Capital contributions relating to the activity undertaken in each year.</p> |                     |
| Buildings          | <p>There were no Capital contributions received by AGN Limited in relation to Buildings Capex.</p> <p>Thus, we provide a 'Null' response in the reporting template.</p>   |                   |   |                     |
| SCADA              | <p>There were no Capital contributions received by AGN Limited in relation to SCADA Capex.</p> <p>Thus, we provide a 'Null' response in the reporting template.</p>   |                   |   |                     |
| Computer Equipment | <p>There were no Capital contributions received by AGN Limited in relation to Computer Equipment Capex.</p> <p>Thus, we provide a 'Null' response in the reporting template.</p>  |                   |   |                     |

| Variable     | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------|---|-------------------|------------------------------|---------------------|
| Other Assets | The amount of Capital Contributions reported for Industrial & Commercial Contract customers, is derived from the amounts of related capex incurred, as reported by APA in the Capex Data Model (with an adjustment to the allocated NMF as set out in the Regulatory Accounting Policy i.e. 50% is capitalised for regulatory reporting). Relevant projects and activities associated with Other Assets are identified by their project name which includes reference to activities which are not related to other categories of Capex in this RIN table. | Actual            |                              |                     |
| Land         | There were no Capital contributions received by AGN Limited in relation to Land.<br><br>Thus, we provide a 'Null' response in the reporting template.   |                   |                              |                     |

## F2.6 – Disposals by Asset Class

### F2.6.2 – Actual

| Variable  | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---|---|-------------------|------------------------------|---------------------|
| 2020  |   |                   |                              |                     |
| Mains & Services /Meters/SCADA/Computer Equipment/Other Assets/Buildings/Land | There were no disposals by AGN Limited in relation to these Asset Classes.<br><br>Thus, we provide a 'Null' response in the reporting template. |                   |                              |                     |



## F2.7 – Immediate Expensing Capex

### F2.7.1 - Actual – As Incurred

| Variable         | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------------|--|-------------------|------------------------------|---------------------|
| 2020             |  |                   |                              |                     |
| Mains & Services | <p>The information reported for Immediate Expensing Capex has been derived from the working papers that underpin preparation of AGN Limited's Income Tax Returns.</p> <p>The amounts reported in this table represent the same amounts of Immediate Expensing Capex that is shown in AGN Limited's tax book asset register, which supports preparation of the income tax returns for each relevant year.</p> <p>Immediate Expensing Capex comprises expenditure to repair parts of the network (i.e. mains and services/inlets) to remedy defects that arise from wear and tear, deterioration or damage. The expenditure reported includes direct costs and associated network overheads that are allocated based on the level of expenditure as set out in the CAM.</p> <p>Further, due to the RIN requesting the same amounts of Immediate Expensing Capex as shown in AGN Limited's income tax return, the reported expenditure does not reflect the regulatory accounting adjustments that have been applied to other relevant Capex in this RIN template. For example, the amounts reported are inclusive of</p> | Actual            |                              |                     |

| Variable  | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---|--|-------------------|------------------------------|---------------------|
|   | <p>65% of the NMF which for regulatory accounting purposes only 50% of the NMF is capitalised.</p> <p>AGN Limited maintains a tax book asset register to record each asset by location (i.e. state) which enables AGN Limited to separately identify the amount of Immediate Expensing Capex for AGN Victoria and Albury. Further, the tax book asset register also records assets by category, which enables AGN Limited to identify the relevant amount of Immediate Expensing Capex by Asset Class, as required for this table.</p> <p>AGN Limited has prepared its audited statutory accounts and lodges its income tax returns on a calendar year basis since acquisition by the current owners on 29 August 2014. Prior to this, income tax returns were prepared on a fiscal year basis ending 30 June each year.</p> <p>AGN Limited has not changed its tax policy with respect to Immediate Expensing Capex during the period covered by this Annual RIN template and currently has no intention to change this policy.</p> |                   |                              |                     |
| Meters/Buildings/SC<br>ADA/Computer<br>Equipment/Other<br>Assets/Land | <p>There were no immediate expensing capex by AGN Limited in relation to these Asset Classes.</p> <p>Thus, we provide a 'Null' response in the reporting template.</p>   |                   |                              |                     |

## F3. Revenue

### F3.1 – Reference Services

#### F3.1.1 – Revenue – by Tariff

| Variable            | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------|--|-------------------|------------------------------|---------------------|
| 2020                |  |                   |                              |                     |
| Revenue – by tariff | Residential, Commercial and Industrial revenue for 2020 has been sourced from APA's customer care and billing (CC&B) database. | Actual            |                              |                     |

### F3.2 – Ancillary Reference Services

| Variable   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--|---|-------------------|------------------------------|---------------------|
| 2020   |   |                   |                              |                     |
| <i>Ancillary Reference Services Revenue information in this table is consolidated for Victoria and Albury for 2020 in accordance with the current "consolidated Access Arrangement".</i> |   |                   |                              |                     |
| Meter and Gas Installation Test  | <p>ARS revenue reported for Meter and Gas Installation Tests relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>High account investigation which involves testing a meter to establish if it falls within allowable limits</li> </ul> <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>The information to report ARS revenue against the categories shown in this RIN table has been sourced initially from data provided by APA via its</p> | Actual            |                              |                     |

| Variable      | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------|---|-------------------|------------------------------|---------------------|
|               | <p>billing system (CC&amp;B) which is used to provide data to retailers and internally to produce the revenue reported in the RFAs each half year. This data provided by APA lists revenue against service types that enables AGN Limited to identify revenue for ARS services, amongst other types of services (e.g. Non-reference services).</p> <p>APA reconciles the revenue figures provided to AGN Limited to its own General Ledger to ensure its accuracy.</p>  |                   |                              |                     |
| Disconnection | <p>ARS revenue reported for Disconnections relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>Disconnections – attach locks or plugs to meter for debt</li> </ul> <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>The information to report ARS revenue against the categories shown in this RIN table has been sourced initially from data provided by APA via its billing system (CC&amp;B) which is used to provide data to retailers and internally to produce the revenue reported in the RFAs each half year. This data provided by APA lists revenue against service types that enables AGN Limited to identify revenue for ARS services, amongst other types of services (e.g. Non-reference services).</p> <p>APA reconciles the revenue figures provided to AGN Limited to its own General Ledger to ensure its accuracy.</p> | Actual            |                              |                     |

| Variable      | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------|---|-------------------|------------------------------|---------------------|
| Reconnection  | <p>ARS revenue reported for Reconnections relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>Reconnections – meter turn on after debt/energise the gas supply to a site that has temporarily been disconnected (includes removal of locks or plugs).</li> </ul> <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>The information to report ARS revenue against the categories shown in this RIN table has been sourced initially from data provided by APA via its billing system (CC&amp;B) which is used to provide data to retailers and internally to produce the revenue reported in the RFAs each half year. This data provided by APA lists revenue against service types that enables AGN Limited to identify revenue for ARS services, amongst other types of services (e.g. Non-reference services).</p> <p>APA reconciles the revenue figures provided to AGN Limited to its own General Ledger to ensure its accuracy.</p> | Actual            |                              |                     |
| Meter Removal | <p>ARS revenue reported for Meter Removals relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>Meter Remove – can be performed at customers' request, where a building is being demolished or where a significant debt is unlikely to be recovered.</li> </ul> <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p>  | Actual            |                              |                     |

| Variable             | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------------------|---|-------------------|------------------------------|---------------------|
|                      | <p>The information to report ARS revenue against the categories shown in this RIN table has been sourced initially from data provided by APA via its billing system (CC&amp;B) which is used to provide data to retailers and internally to produce the revenue reported in the RFAs each half year. This data provided by APA lists revenue against service types that enables AGN Limited to identify revenue for ARS services, amongst other types of services (e.g. Non-reference services).</p> <p>APA reconciles the revenue figures provided to AGN Limited to its own General Ledger to ensure its accuracy.</p>  |                   |                              |                     |
| Meter Reinstallation | <p>ARS revenue reported for Meter Reinstallations relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>• Refix a meter at a premise where the MIRN status is decommissioned as the result of a previous service order to remove the meter.</li> </ul> <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>The information to report ARS revenue against the categories shown in this RIN table has been sourced initially from data provided by APA via its billing system (CC&amp;B) which is used to provide data to retailers and internally to produce the revenue reported in the RFAs each half year. This data provided by APA lists revenue against service types that enables AGN Limited to identify revenue for ARS services, amongst other types of services (e.g. Non-reference services).</p> | Actual            |                              |                     |

| Variable                          | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|-----------------------------------|---|-------------------|--|---------------------|
|                                   | APA reconciles the revenue figures provided to AGN Limited to its own General Ledger to ensure its accuracy.  |                   |  |                     |
| Special Meter Read – Metropolitan | <p>ARS revenue reported for Special Meter Reads - Metropolitan relates to undertaking the following services:</p> <ul style="list-style-type: none"> <li>• Move in – Move out – No change in retailer</li> <li>• Request to check a reading from a retailer</li> <li>• Special read request to change from one retailer to another</li> </ul> <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>The revenue for Special Meter Read - Metropolitan as reported, has been determined by assessing the percentage of reads allocated between Metropolitan and Non-Metropolitan locations. These percentages were derived from analysis undertaken by APA where they assessed a sample year of reads and grouped based on charge out rate. This data was extracted from its billing system (CC&amp;B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs. For 2020 the split used was 75% Metro and 25% Non-Metro. This method of deriving the volumes, revenue and expenditure for Metro and Non-Metro Special Meter Read was necessary because AGN Limited and APA's business systems do not capture this level of detail. As such, this information is</p> | Estimate          | AGN Limited and APA's business systems do not capture the level of detail necessary to extract data on the actual volume of Special Meter Read transactions between Metropolitan and Non-Metropolitan locations. Therefore, it has been necessary to estimate this information using the method explained in this table. |                     |

| Variable                              | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|---------------------------------------|--|-------------------|---|---------------------|
|                                       | <p>considered by AGN Limited to be Estimated information.</p> <p>AGN Limited considers this to be a reasonable basis from which to estimate the volumes, revenue and expenditure for Metropolitan and Non-Metropolitan Special Meter Reads, and to be the most appropriate method considering the information which is available.</p>  |                   |   |                     |
| Special Meter Read – Non-Metropolitan | <p>ARS revenue reported for Special Meter Reads – Non-Metropolitan relates to undertaking the following services in Non-Metropolitan areas:</p> <ul style="list-style-type: none"> <li>• Move in – Move out – No change in retailer</li> <li>• Request to check a reading from a retailer</li> <li>• Special read request to change from one retailer to another</li> </ul> <p>APA have been contracted by AGN Limited under the OMA to provide these services.</p> <p>The revenue for Special Meter Read – Non-Metropolitan as reported, has been determined by assessing the percentage of reads allocated between Metropolitan and Non-Metropolitan locations. These percentages were derived from analysis undertaken by APA where they assessed a sample year of reads and grouped based on charge out rate. This data was extracted from its billing system (CC&amp;B) which provides information to retailers and is also used internally to produce the revenue figures for the RFAs. For 2020 the split used was 75% Metro and 25% Non-Metro. This method of deriving the volumes for Metro</p> | Estimate          | <p>AGN Limited and APA's business systems do not capture the level of detail necessary to extract data on the actual volume of Special Meter Read transactions between Metropolitan and Non-Metropolitan locations. Therefore, it has been necessary to estimate this information using the method explained in this table.</p> |                     |



| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
|          | <p>and Non-Metro Special Meter Read was necessary because AGN Limited and APA's business systems do not capture this level of detail. As such, this information is considered by AGN Limited to be Estimated information.</p> <p>AGN Limited considers this to be a reasonable basis from which to estimate the volumes, revenue and expenditure for Metropolitan and Non-Metropolitan Special Meter Reads, and to be the most appropriate method considering the information which is available.</p> |                   |                              |                     |

### F3.3 – Rebateable Services

AGN has not provided any Rebateable Services for the relevant regulatory years. Thus, we provide a 'Null' response in the reporting template.

### F3.4 – Non-Reference Services

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
| 2020     | <i>Non-Reference Services Revenue information in this table is consolidated for Victoria and Albury for 2020 in accordance with the current "consolidated Access Arrangement".</i>  |                   |                              |                     |
|          | <p>The information to report Non-Reference Services revenue has been sourced initially from data provided by APA via its billing system (CC&amp;B) which is used to produce the revenue reported in the RFAs each half year. This data provided by APA lists revenue against service types that enables AGN Limited to identify revenue for Non-Reference Services (and ARS).</p> | Actual            |                              |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
|          | <p>APA reconciles the revenue figures provided to AGN Limited to its own General Ledger to ensure its accuracy.</p> <p>The Non-Reference Services listed in the RIN table are that that are shown on AGN Limited's tariff schedules for AGN Victoria and AGN Albury, and which have been provided to customers in any given year.</p> <p>The services that are included in Non-Reference services are:</p> <ul style="list-style-type: none"> <li>• Out of hours special read</li> <li>• Meter Alter Position</li> <li>• Same Day Premium Service</li> <li>• Disconnect Service in Street</li> <li>• No Access/Incomplete Meter Fix; and</li> <li>• Reconnect Service in Street</li> </ul> |                   |                              |                     |

### F3.5 – Total Revenue

F3.5 is formula driven table calculated based on the tables in F3.1.1, F3.2, F3.3 and F3.4.

### F3.6 – Rewards and Penalties from Incentive Schemes

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
| 2020     |  |                   |                              |                     |
|          | <p>The rewards from the Efficiency Benefit Sharing Scheme are sourced from the Final Decision PTRM for the 2018 to 2022 Access Arrangement period expressed in nominal terms.</p> <p>The rewards shown in the table resulted from opex efficiencies achieved in the 2013 – 2017 Access Arrangement Period.</p> | Actual            |                              |                     |

## F4. Opex

### F4.1 – Opex - by Purpose

#### F4.1.1 – Audited Statutory Accounts

| Variable                        | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|--|-------------------|------------------------------|---------------------|
| 2020                            | <p><i>Unless otherwise stated below, amounts reported in this table F4.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current “consolidated Access Arrangement”.</i></p>   |                   |                              |                     |
| Repairs and maintenance         | <p>As noted in the table heading above, amounts reported for Repairs and Maintenance and each other category of expenditure in this table (F4.1.1) have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.</p> <p>Expenditure recorded against relevant account codes in the GL has been mapped to the Opex by Purpose categories shown in the RIN template.</p> | Actual            |                              |                     |
| Marketing and retail incentives | <p>As noted in the table heading above, amounts reported for Marketing and Retail Incentives and each other category of expenditure in this table (F4.1.1) have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.</p>   | Actual            |                              |                     |

| Variable               | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------------------|--|-------------------|------------------------------|---------------------|
|                        | Expenditure recorded against relevant account codes in the GL has been mapped to the Opex by Purpose categories shown in the RIN template.   |                   |                              |                     |
| Debt raising           | As set out in the Basis of Preparation for table F1. Income, specifically in table F1.1.2 – Expenditure, AGN Limited's Debt Raising Costs form part of the Net Finance Expenses reported in its audited statutory accounts for AGN Limited. Therefore, there are no equivalent amounts to report in this table.<br><br>As such, a 'Null' response is provided for this category of expenditure.  |                   |                              |                     |
| Equity raising         | AGN Limited has not incurred any expenditure related to Equity Raising costs in respect of AGN Victoria and AGN Albury (or any other companies within the group) in 2020.<br><br>As such, a 'Null' response is provided for this category of expenditure.  |                   |                              |                     |
| Unaccounted for gas    | As noted in the table heading above, amounts reported for Unaccounted for Gas (UAFG) and each other category of expenditure in this table (F4.1.1) have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.<br><br>Expenditure recorded against relevant account codes in the GL has been mapped to the Opex by Purpose categories shown in the RIN template. | Actual            |                              |                     |
| Jurisdictional charges | As noted in the table heading above, amounts reported for Jurisdictional Charges and each other category of expenditure in this table (F4.1.1) have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the  | Actual            |                              |                     |

| Variable     | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|--------------|--|-------------------|------------------------------|---------------------|
|              | consolidated AGN Limited group audited statutory accounts.<br><br>Expenditure recorded against relevant account codes in the GL has been mapped to the Opex by Purpose categories shown in the RIN template.   |                   |                              |                     |
| GSL payments | As noted in the table heading above, amounts reported for GSL Payments and each other category of expenditure in this table (F4.1.1) have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.<br><br>Expenditure recorded against relevant account codes in the GL has been mapped to the Opex by Purpose categories shown in the RIN template. | Actual            |                              |                     |
| Other Opex   | As noted in the table heading above, amounts reported for Other Opex and each other category of expenditure in this table (F4.1.1) have been sourced from the separate SAP General Ledgers that are maintained for AGN Victoria and AGN Albury and which contain the relevant account balances that are included in the consolidated AGN Limited group audited statutory accounts.<br><br>Expenditure recorded against relevant account codes in the GL has been mapped to the Opex by Purpose categories shown in the RIN template.   | Actual            |                              |                     |

### F4.1.2 – Adjustments

| Variable                        | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|---|-------------------|------------------------------|---------------------|
| 2020                            | <p><i>Unless otherwise stated below, amounts reported in this table F4.1 have been sourced from the General Ledgers for AGN Victoria and AGN Albury which contain the relevant account balances that are included in the consolidated Audited Statutory Accounts for AGN Limited.</i></p> <p><i>Audited Statutory Accounts information is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p>                                      |                   |                              |                     |
| Repairs and maintenance         | <p>Adjustments shown in this table F4.1.2 represent the differences between the 'Audited Statutory Accounts' Opex by Purpose amounts reported in table F4.1.1 above and the Distribution Business Opex reported below in table F4.1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F4.1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |
| Marketing and retail incentives | <p>Adjustments shown in this table F4.1.2 represent the differences between the 'Audited Statutory Accounts' Opex by Purpose amounts reported in table F4.1.1 above and the Distribution Business Opex reported below in table F4.1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F4.1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |

| Variable            | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------|---|-------------------|------------------------------|---------------------|
| Debt raising        | <p>Adjustments shown in this table F4.1.2 represent the differences between the 'Audited Statutory Accounts' Opex by Purpose amounts reported in table F4.1.1 above and the Distribution Business Opex reported below in table F4.1.3 for AGN Victoria and AGN Albury.</p> <p>As noted in table F4.1.1 above, there is no equivalent amount to report for Debt Raising Costs in the audited statutory accounts for AGN Limited, as this expenditure is incorporated in Net Finance Expenses within those financial statements. The relevant amounts reported below in table F4.1.3 for the Victoria and Albury Distribution Businesses, have been identified with reference to the relevant GL account codes within the SAP General Ledgers for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F4.1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |
| Equity raising      | <p>AGN Limited has not incurred any expenditure related to Equity Raising costs in respect of AGN Victoria and AGN Albury (or any other companies within the group) in 2020.</p> <p>As such, a 'Null' response is provided for this category of expenditure.</p>  |                   |                              |                     |
| Unaccounted for gas | Adjustments shown in this table F4.1.2 represent the differences between the 'Audited Statutory Accounts' Opex by Purpose amounts reported in table F4.1.1 above and the Distribution Business  | Actual            |                              |                     |



| Variable               | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------------------|---|-------------------|------------------------------|---------------------|
|                        | <p>Opex reported below in table F4.1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F4.1.3 for the AGN Victoria and AGN Albury Distribution Business.</p>  |                   |                              |                     |
| Jurisdictional charges | <p>Adjustments shown in this table F4.1.2 represent the differences between the 'Audited Statutory Accounts' Opex by Purpose amounts reported in table F4.1.1 above and the Distribution Business Opex reported below in table F4.1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F4.1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |
| GSL payments           | <p>Adjustments shown in this table F4.1.2 represent the differences between the 'Audited Statutory Accounts' Opex by Purpose amounts reported in table F4.1.1 above and the Distribution Business Opex reported below in table F4.1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F4.1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |

| Variable   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------|---|-------------------|------------------------------|---------------------|
| Other Opex | <p>Adjustments shown in this table F4.1.2 represent the differences between the 'Audited Statutory Accounts' Opex by Purpose amounts reported in table F4.1.1 above and the Distribution Business Opex reported below in table F4.1.3 for AGN Victoria and AGN Albury.</p> <p>Refer to the reconciliation schedule provided in Appendix F for an explanation of the adjustments made to determine the amounts reported in table F4.1.3 for the AGN Victoria and AGN Albury Distribution Business.</p> | Actual            |                              |                     |

#### F4.1.3 – Distribution Business

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
| 2020     | <p><i>Refer to Appendix B for a description of the systems and processes that support AGN Limited's cost capture and reporting of Opex as presented below.</i></p> <p><i>Refer to the Regulatory Accounting Principles and Policies and Cost Allocation Methodology documents for guidance on certain expenditure categories that may be included or excluded from Opex for regulatory purposes, and in relation to AGN Limited's policies and processes for cost allocation.</i></p> <p><i>Unless otherwise noted below, amounts reported in F4.1.3 have been sourced from the SAP General Ledgers for AGN Victoria and AGN Albury. Expenditure for AGN Victoria and AGN Albury reported below has been determined with reference to the Ring Fenced Accounts, regulatory accounting policies and the processes outlined in the Cost Allocation Methodology document that accompanies this RIN response.</i></p> <p><i>Distribution Business Opex information reported in table F4.1.3 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p> |                   |                              |                     |

| Variable                | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|-------------------------|---|-------------------|------------------------------|---------------------|
| Repairs and maintenance | <p>Expenditure reported in this category is the expenditure incurred by AGN Limited in relation to the repair and maintenance activities for the Victorian and Albury pipelines which provides Reference Services.</p> <p>The repair and maintenance of AGN Limited's Victoria and Albury pipelines has been contracted to APA under the OMA. It is noted that APA incurs other Opex costs in providing these services to AGN Limited (e.g. general and administrative costs), however all such costs including Marketing expenditure, are effectively bundled into the monthly charges from APA. Marketing expenditure is separately identified in the Ring Fenced Accounts which enables AGN Limited to include those amounts separately in Marketing and Retail Incentives below. For this reason, all expenditure incurred under the OMA with APA that is not Capex or Marketing and Retail Incentives expenditure, is classified as Repairs and Maintenance expenditure.</p> <p>APA's network overheads include an allocation of the Network Management Fee (NMF) paid by AGN Limited, which for statutory accounting purposes 65% if the total NMF remains in capitalised network overheads. As per the Regulatory Accounting Principles and Policies document, for regulatory purposes, 50% of the total NMF is reported as operating expenditure and appears in this category of Repairs and Maintenance.</p> | Actual            |                              |                     |

| Variable                        | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|--|-------------------|------------------------------|---------------------|
|                                 | As noted in the recently submitted Annual RINs for AGN Victoria and AGN Albury, all Opex costs for activities outsourced to APA, other than Marketing and Retail Incentives, is consistently categorised as Repairs and Maintenance in AGN Limited's reporting to the AER (i.e. including AGN Limited's pipelines in other states).  |                   |                              |                     |
| Marketing and retail incentives | <p>Marketing and Retail Incentives expenditure is predominantly undertaken internally within AGN Limited (separately to activities provided by APA) and information about this expenditure is sourced from the SAP General Ledger (GL).</p> <p>Both types of expenditure, being that incurred through services provided by APA (from February 2020 most of the Marketing function was bought in-house with the exception of the Call Centre), along with AGN Limited's internal expenditure, is reconciled to the separate General Ledgers for AGN Victoria and AGN Albury.</p> <p>Expenditure reported as Marketing and Retail Incentives includes various marketing activities undertaken by AGN Limited to retain and increase customer numbers. This program incorporates advertising (for example), on platforms such as television, radio, digital and press. AGN Limited also provides marketing rebates to certain customers in the form of a cash payment, as an incentive to have gas connected and take up gas appliances (i.e. gas hot water, gas central heating etc.) in place of their equivalent electric appliances, the costs of which are reported in this category of expenditure.</p> | Actual            |                              |                     |

| Variable       | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------------|---|-------------------|------------------------------|---------------------|
|                | <p>Refer to Appendix E for a description of the adjustments made due to regulatory accounting policies. Specifically see adjustment type:</p> <ul style="list-style-type: none"> <li>• "Marketing Rebates" for expenditure treated consistently as Opex for regulatory purposes and Capex for statutory accounting purposes, from 1 January 2016.</li> </ul>  |                   |                              |                     |
| Debt raising   | <p>The amount of Debt Raising costs reported in the RIN template has been sourced from AGN Limited's SAP GL and working papers maintained within the Treasury function of AGN Limited which record related expenditure.</p> <p>Expenditure reported for debt raising costs comprise the following fees and charges paid in relation to raising debt financing for AGN Limited:</p> <ul style="list-style-type: none"> <li>• Agents fees</li> <li>• Registrar Fees</li> <li>• Rating Agent fees</li> <li>• Establishment/extension fees</li> <li>• Legal fees</li> <li>• Roadshow and associated travelling costs</li> </ul> <p>AGN Limited manages its debt finance facilities for the group as a whole. As set out in the CAM, these costs are allocated to each jurisdiction based on the Regulatory Asset Base (RAB) values in each of AGN's separate Access Arrangements.</p> | Actual            |                              |                     |
| Equity raising | <p>AGN Limited has not incurred any expenditure related to Equity Raising costs in respect of AGN Victoria and AGN Albury (or any other companies within the group) in 2020.</p>  |                   |                              |                     |

| Variable               | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------------------|--|-------------------|------------------------------|---------------------|
|                        | As such, a 'Null' response is provided for this category of expenditure.   |                   |                              |                     |
| Unaccounted for gas    | <p>The amount reported for Unaccounted for Gas in 2020 has been sourced from and reconciled to the General Ledger for AGN Victoria.</p> <p>UAFG is the cost to AGN (Victoria) Limited in relation to the volume of gas calculated pursuant to the AEMO Wholesale Market Distribution UAFG Procedures (Victoria). The costs are derived by multiplying the quantity above or below the approved benchmark percentage by the sum of the average volume weighted market price (AVWMP) and the average transmission tariff (ATT).</p> <p>Albury UAFG cannot be accurately separated from Victoria due to gas flows between the network boundaries. This boundary issue is well known and is referred to in clause 2.1.6 of the AEMO Wholesale Market UAFG Distribution Procedures (Victoria). As a result, no UAFG information is provided for Albury.</p> | Actual            |                              |                     |
| Jurisdictional charges | <p>The amount reported for Jurisdictional Charges in 2020 has been sourced from and reconciled to the SAP General Ledgers for AGN Victoria and AGN Albury.</p> <p>Expenditure reported for Jurisdictional charges comprises license fees and levies paid to current and former regulatory bodies.</p>  | Actual            |                              |                     |
| GSL payments           | GSL payments are made under section 2.2 (b) of the Gas Distribution Code in relation to applicable   | Actual            |                              |                     |

| Variable   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------|---|-------------------|------------------------------|---------------------|
|            | tariff V customers. There were no GSL payments made by AGN Albury for the period because the Terms and Conditions of Albury's current AA does not provide for such payments. Hence, the GSL payments being reported in this RIN table relate to AGN Victoria only.  |                   |                              |                     |
| Other Opex | Expenditure reported for Other Opex represents an allocation of the other internal costs associated with the business and include items such as employee costs, consulting and legal expenses, IT support costs, Insurance and costs not related to another category in this RIN table. These costs are allocated in accordance with the Cost Allocation Methodology provided with this RIN response. | Actual            |                              |                     |

## F6. Related Party Transactions

### F6.1 – Payments Greater than \$1,000,000 made to Related Party

#### F6.1.1 – Expenditure

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
| 2020     | <i>Refer to Appendix D for an explanation of Related Parties and Related Party margin expenditure.</i>        |                   |                              |                     |
|          | AGN Limited had no related party payments after 29 August 2014 when the current owners acquired the business. |                   |                              |                     |
|          | As such a 'Null' response is provided for this category of expenditure in 2020.                               |                   |                              |                     |

#### F6.1.2 – Corresponding Expenses incurred by Related Party

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
| 2020     | <i>Refer to Appendix D for an explanation of Related Parties and Related Party margin expenditure.</i>        |                   |                              |                     |
|          | AGN Limited had no related party payments after 29 August 2014 when the current owners acquired the business. |                   |                              |                     |
|          | As such a 'Null' response is provided for this category of expenditure in 2020.                               |                   |                              |                     |



## F6.2 – Payments Greater than \$1,000,000 received from Related Party

### F6.2.1 – Revenue

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
| 2020     |  |                   |                              |                     |
|          | There were no payments greater than \$1.0m received from a Related Party during 2020 for AGN Victoria or AGN Albury. |                   |                              |                     |
|          | As such a 'Null' response is provided for this category.   |                   |                              |                     |

### F6.2.2 – Corresponding Expenses incurred by its own

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
| 2020     |   |                   |                              |                     |
|          | There were no payments greater than \$1.0m received from a Related Party during 2020 for AGN Victoria or AGN Albury, hence there were also no corresponding expenses incurred by AGN Limited. |                   |                              |                     |
|          | As such a 'Null' response is provided for this category.  |                   |                              |                     |

## F6.3 – Related Party Margin Expenditure – by Category

### F6.3.1 – Capex

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
| 2020     | <i>Refer to Appendix D for an explanation of Related Parties and Related Party margin expenditure.</i>                               |                   |                              |                     |
|          | As set out in Appendix D, APA ceased to be a related party from 29 August 2014 upon the current owners' acquisition of the business. |                   |                              |                     |
|          | As such a 'Null' response is provided for this category of expenditure in 2020.  |                   |                              |                     |

### F6.3.2 – Opex

| Variable                        | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|---------------------------------|--|-------------------|------------------------------|---------------------|
| 2020                            | <i>As set out in Appendix D, APA ceased to be a related party from 29 August 2014 upon the current owners' acquisition of the business.</i>  |                   |                              |                     |
| Repairs and maintenance         | There is no Related Party Margin Expenditure related to Repairs and Maintenance, or any other categories of Opex after 29 August 2014.<br>Thus, we provide a 'Null' response in the reporting template for 2020.         |                   |                              |                     |
| Marketing and retail incentives | There is no Related Party Margin Expenditure related to Marketing and Retail Incentives, or any other categories of Opex after 29 August 2014.<br>Thus, we provide a 'Null' response in the reporting template for 2020. |                   |                              |                     |
| Debt raising                    | There is no Related Party Margin Expenditure related to Debt Raising, or any other categories of Opex after 29 August 2014.<br>Thus, we provide a 'Null' response in the reporting template for 2020.                    |                   |                              |                     |
| Equity raising                  | There is no Related Party Margin Expenditure related to Equity Raising, or any other categories of Opex after 29 August 2014.<br>Further AGN Limited has incurred no Equity raising costs in 2020.                       |                   |                              |                     |

| Variable               | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|------------------------|---|-------------------|------------------------------|---------------------|
|                        | Thus, we provide a 'Null' response in the reporting template.   |                   |                              |                     |
| Unaccounted for gas    | There is no Related Party Margin Expenditure related to Unaccounted for Gas, or any other categories of Opex after 29 August 2014.<br>Thus, we provide a 'Null' response in the reporting template for 2020.    |                   |                              |                     |
| Jurisdictional charges | There is no Related Party Margin Expenditure related to Jurisdictional Charges, or any other categories of Opex after 29 August 2014.<br>Thus, we provide a 'Null' response in the reporting template for 2020. |                   |                              |                     |
| GSL payments           | There is no Related Party Margin Expenditure related to GSL Payments, or any other categories of Opex after 29 August 2014.<br>Thus, we provide a 'Null' response in the reporting template for 2020.           |                   |                              |                     |
| Other Opex             | There is no related party margin expenditure related to Other Opex, or any other categories of Opex after 29 August 2014.<br>Thus, we provide a 'Null' response in the reporting template for 2020.             |                   |                              |                     |

#### F6.4 – Percentage of Capex Outsourced to Related Party

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
| 2020     |  |                   |                              |                     |
|          | From 2015 onward, AGN Limited has no capex outsourced to a related party.<br>Thus, we provide a 'Null' response in the reporting template. |                   |                              |                     |

## F6.5 – Percentage of Opex Outsourced to Related Party

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
| 2020     |  |                   |                              |                     |
|          | <p>From 2015 onward, AGN Limited has no Opex outsourced to a related party.</p> <p>Thus, we provide a 'Null' response in the reporting template.</p> |                   |                              |                     |

## F7. Provisions

| Variable                  | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|---------------------------|--|-------------------|---|---------------------|
| 2020                      | <p><i>Provisions financial information reported in this table for 2020 is consolidated for AGN Victoria and AGN Albury in accordance with the current "consolidated access arrangement".</i></p> <p><i>As set out in the CAM, Provisions are allocated to companies in the AGN Limited group, including AGN Victoria and AGN Albury, based on the allocator "Increase in Customer Numbers". The customer numbers used to calculate these allocations are actual customer numbers as at 31 December each year.</i></p>  |                   |   |                     |
| Employee Benefits Current | <p>Reported amounts for Employee Benefits Current have been derived initially from the AGN Limited group consolidated accounts.</p> <p>The opening balances, movements in provisions and closing balances reported for AGN Victoria and Albury have been calculated as an allocation of the group consolidated accounts, based on the increase in Victoria and Albury customers as a percentage of the increase in all customers nationally each year.</p> <p>Due to the amount of the allocator changing each year (i.e. the increase in Victoria and Albury customers relative to the increase in all customers varies from one year to the next) it is also necessary to adjust for the opening balance carried forward which was calculated from the prior year's relevant allocator amount. This is done each year by multiplying the group consolidated accounts opening balance by the change in the Victoria and Albury allocator amounts (e.g. if the Victoria and Albury allocator total was 62.9% in 2019 and 62.8% in 2020, the opening balance allocated to Victoria and Albury</p> | Estimate          | <p>The amounts reported for 2020 have been determined as an allocation from the AGN Limited Group employee entitlement figures. Notwithstanding that the allocator used (i.e. increase in customers) is the most practical and best method given the information available, AGN Limited considers the provision amounts reported for Victoria and Albury as estimated information.</p> <p>As such, information being reported for 2020 has been reviewed by AGN Limited's external auditor in accordance with the requirements of Appendix C of the Annual RIN.</p> |                     |

| Variable   | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|--|---|-------------------|--|---------------------|
|  | <p>needs to be reduced by 0.1% in 2020). This adjustment is reported in the RIN template using the “change in discount rate” row in Table F7. Provisions.</p> <p>This allocation basis (increase in Victoria and Albury customers) is consistent with the allocation of other Payroll and related costs, as set out in the CAM.</p> <p>The information available in AGN Limited’s general ledger about movements in provisions for employee benefits, represents a monthly budgeted net movement in provision, which is ‘trued up’ twice each year (i.e. in June and December) based on actual leave entitlements and records maintained by the AGN Payroll function. In order to report gross additional provisions made and gross amounts of the provision used each year, for the purpose of this table, AGN Limited uses a separate report provided by the Payroll function. However, the amounts reported in the RIN template are reconciled to the net movement amounts as shown in the general ledger.</p> |                   |  |                     |
| Employee Benefits Non-Current (Long Service Leave) | <p>Reported amounts for Employee Benefits Non-Current (Long Service Leave) have been derived initially from the AGN Limited group consolidated accounts.</p> <p>The opening balances, movements in provisions and closing balances reported for AGN Victoria and Albury have been calculated as an allocation of the group consolidated accounts, based on the</p>  | Estimate          | The amounts reported for 2020 have been determined as an allocation from the AGN Limited Group employee entitlement figures. Notwithstanding that the allocator used (i.e. increase in customers) is the most practical and best |                     |

| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|----------|--|-------------------|--|---------------------|
|          | <p>increase in Victoria and Albury customers as a percentage of the increase in all customers nationally each year.</p> <p>Due to the amount of the allocator changing each year (i.e. the increase in Victoria and Albury customers relative to the increase in all customers varies from one year to the next) it is also necessary to adjust for the opening balance carried forward which was calculated from the prior year's relevant allocator amount. This is done each year by multiplying the group consolidated accounts opening balance by the change in the Victoria and Albury allocator amounts (e.g. if the Victoria and Albury allocator total was 62.9% in 2019 and 62.8% in 2020, the opening balance allocated to Victoria and Albury needs to be reduced by 0.1% in 2020). This adjustment is reported in the RIN template using the "change in discount rate" row in Table F7. Provisions.</p> <p>This allocation basis (increase in Victoria and Albury customers) is consistent with the allocation of other Payroll and related costs, as set out in the CAM.</p> <p>As noted above for current employee benefits, general ledger account balance for non-current employee benefits is 'trued up' twice each year (i.e. in June and December) based on actual leave entitlements and records maintained by the AGN Payroll function. In order to report gross additional provisions made and gross amounts of</p> |                   | <p>method given the information available, AGN Limited considers the provision amounts reported for Victoria and Albury as estimated information.</p> <p>As such, information being reported for 2020 has been reviewed by AGN Limited's external auditor in accordance with the requirements of Appendix C of the Annual RIN.</p> |                     |

| Variable                  | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)   | Additional Comments |
|---------------------------|---|-------------------|--|---------------------|
|                           | the provision used each year, for the purpose of this table, AGN Limited uses a separate report provided by the Payroll function. However, the amounts reported in the RIN template are reconciled to the net movement amounts as shown in the general ledger.  |                   |  |                     |
| Asbestos Claims Provision | <p>Reported amounts for Asbestos Claims Provision have been derived initially from the AGN Limited group consolidated accounts.</p> <p>The opening balances, movements in provisions and closing balances reported for AGN Victoria and Albury have been calculated as an allocation of the group consolidated accounts, based on the increase in Victoria and Albury customers as a percentage of the increase in all customers nationally each year.</p> <p>Due to the amount of the allocator changing each year (i.e. the increase in Victoria and Albury customers relative to the increase in all customers varies from one year to the next) it is also necessary to adjust for the opening balance carried forward which was calculated from the prior year's relevant allocator amount. This is done each year by multiplying the group consolidated accounts opening balance by the change in the Victoria and Albury allocator amounts (e.g. if the Victoria and Albury allocator total was 62.9% in 2019 and 62.8% in 2020, the opening balance allocated to Victoria and Albury needs to be reduced by 0.1% in 2020). This</p> | Estimate          | <p>The amounts reported for 2020 have been determined as an allocation from the AGN Limited Group Asbestos Claims Provision figures. Notwithstanding that the allocator used (i.e. increase in customers) is the most practical and best method given the information available, AGN Limited considers the provision amounts reported for Victoria and Albury as estimated information.</p> <p>As such, information being reported for 2020 has been reviewed by AGN Limited's external auditor in accordance with the requirements of Appendix C of the Annual RIN.</p> |                     |



| Variable | Data source, Methodology and Assumptions   | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|--|-------------------|------------------------------|---------------------|
|          | adjustment is reported in the RIN template using the “change in discount rate” row in Table F7. Provisions. Other than for this change in opening balance due to the change in allocator amounts, there was no other movement in this provision in 2020. |                   |                              |                     |

## F9. Pass Through

### F9.1 - Pass Through Event Expenditure

| Variable | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated) | Additional Comments |
|----------|---|-------------------|------------------------------|---------------------|
| 2020     | There was no pass through expenditure approved for AGN in 2020.<br>We report a 'Null' response in the template. |                   |                              |                     |

## F10. Assets

### F10.1 – Capital Base Values

| Variable            | Data source, Methodology and Assumptions  | Actual / Estimate | Justification (if estimated)  | Additional Comments |
|---------------------|---|-------------------|---|---------------------|
| 2020                |   |                   |   |                     |
| Capital Base Values | The values entered for the year 2020 are as per the current modelling for Victoria & Albury, which modelling contains actual capex, contributions and disposals for the years 2020. | Estimate          | The information in F10.1 reflects the capital base as per current AGIG modelling for the 2023 – 2027 period. There are adjustments to capital expenditure in the RFM, for instance the adjustment for the difference between actual and forecast net capex in the final year of the Access Arrangement period, which mean that the Actual Additions (recognised in RAB) line is not easily reconciled to the capex reported in F10. As the information in F10 is not statutory accounting information it has been classified as an estimate for the purposes of Workbook 2. |                     |

## **Appendix A: Cost Collection and Reporting Process - Capex**

*The following description of AGN Limited's cost collection process for capital expenditure applies to the information previously reported to the AER (e.g. the recently submitted Annual RIN) and to the financial information now being reported for 2020.*

### **Source of financial data**

As in previous years, financial data for this Annual RIN was sourced from AGN Limited's finance system (SAP Business One) and from other information provided by AGN Limited's principal capital delivery contractor, APA Asset Management (APA). AGN Limited utilises Excel spreadsheets to consolidate detailed financial information provided by APA with information from its own finance system and to undertake cost allocation processes, for the purpose of producing the data required to complete the AER regulatory templates. This information and the associated processes are explained further below.

### **AGN Limited's capital delivery contractor (APA)**

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

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

APA's business support and overhead costs are allocated to capital expenditure in accordance with the processes outlined in the AGN Limited Cost Allocation Methodology (CAM) provided with the response to this RIN. For regulatory accounting purposes in relation to AGN Victoria and Albury, AGN Limited capitalises 50% of the NMF paid to APA, in accordance with AGN Limited's Regulatory Accounting Principles and Policies document for Victoria and Albury.

Prior to the current owner of AGN Limited acquiring the business on 29 August 2014, the APA Group of which APA Asset Management is a subsidiary, was a significant shareholder in Envestra, owning 33% of the company, which therefore made APA a related party. Accordingly, payments to APA for the period 1 January 2011 to 29 August 2014 under the OMA were recognised as related party transactions.

In addition, the NMF paid to APA for that period was recognised as related party margin expenditure, noting 50% of the NMF paid to APA is capitalised for regulatory accounting and reporting purposes. Hence 50% of the NMF is reported as operating expenditure by AGN Limited.

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

### **Source of financial data provided by APA**

APA uses an enterprise resource planning system (Oracle) and an asset management system (Maximo) to capture costs which are assigned to master data identifiers including tasks, activities and expense types. Further, with the use of additional master data identifiers, being project codes and cost centres, APA

records its expenditure against specific regulated and unregulated gas pipelines operated by AGN Limited in each state and to relevant regions within each state (also referred to as business zones).

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

In 2020, APA developed a Capex Data Model, which has been able to provide a greater level of detail in Excel spreadsheet format, with respect to regulated capital expenditure for Victoria and Albury for the years since 2016.

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

#### **AGN Limited business systems and cost capture**

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

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

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

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

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

AGN Limited does not capitalise any of its general corporate management and administration costs for regulatory accounting purposes, unless it can be specifically linked to a capital activity (e.g. a corporate IT project). This is in accordance with the Regulatory Accounting Principles and Policies document and the Capitalisation Policy. From 2019 AGN Limited has identified specific personnel working on corporate IT projects and has commenced capitalising the labour costs for those personnel as explained in Section 6.1.2 of the CAM.

**Reconciliation of data and information reported to the AER**

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

## **Appendix B: Cost Collection and Reporting Process - Opex**

*The following description of AGN Limited's cost collection process for operating expenditure applies to the information previously reported to the AER (e.g. in the recently submitted Annual RIN) and to the financial information now being reported for 2020.*

### **Source of financial data**

As in previous years, financial data for this Annual RIN was sourced from AGN Limited's finance system (SAP Business One) and from other information provided by AGN Limited's principal operating and management contractor, APA Asset Management (APA). AGN Limited utilises Excel spreadsheets to consolidate detailed financial information provided by APA with information from its own finance system and to undertake cost allocation processes, for the purpose of producing the data required to complete the AER regulatory templates. This information and the associated processes are explained further below.

### **AGN Limited's operating and management sub-contractor (APA)**

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

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

APA's business support and overhead costs are allocated and charged in accordance with the processes outlined in the AGN Limited Cost Allocation Methodology (CAM) provided with the recently submitted Annual RIN (Historical Performance Data). For regulatory accounting and reporting purposes, AGN Limited treats 50% of the NMF paid to APA as operating expenditure, in accordance with AGN Limited's Regulatory Accounting Principles and Capitalisation policies for AGN Victoria and Albury.

Prior to the current owner of AGN Limited acquiring the business on 29 August 2014, the APA Group, of which APA Asset Management is a subsidiary, was a significant shareholder in Envestra, owning 33% of the company, which therefore made APA a related party. Accordingly, payments to APA for the period 1 January 2011 to 29 August 2014 under the OMA were recognised as related party transactions in the information provided within the regulatory templates. In addition, the NMF paid to APA for that period was recognised as related party margin expenditure.

Further information about the cost capture and reporting processes for Related Party Transactions and Related Party Margins is provided in Appendix D.

### **Source of financial data provided by APA**

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

APA provides detailed information about operating expenditure on AGN Limited's regulated and unregulated pipelines via its business intelligence (BI) tool 'Cognos'. This information enables AGN Limited to map expenditure into the categories that are defined in the AER regulatory templates (e.g. Repairs and Maintenance, Marketing and Retail Incentives, Other Opex etc.).

Operating expenditure information from APA is produced using its Cognos BI tool which extracts data from Oracle. This information is provided as part of the 'Ring Fenced Accounts' prepared by APA each half year. The Ring Fenced Accounts (RFAs) report on all expenditure (operating and capital), including the allocation of support and shared business costs into each of AGN Limited's regulated and unregulated business zones. The RFAs have been and continue to be a key source of data for regulatory reporting purposes.

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

#### **AGN Limited business systems and cost capture**

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

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

The detailed view of network operation and management expenditure undertaken by APA is provided via separate reporting outside of AGN Limited's core finance systems, as described above (e.g. the Ring Fenced Accounts). This information is used to complete the AER regulatory templates.

AGN Limited's internal operating expenditure for its corporate management and administration costs, is captured in the SAP general ledger by account code, department and state where applicable, which enables reporting against categories defined by the AER regulatory templates.

AGN Limited does not capitalise any of its general corporate management and administration costs for the purpose of regulatory accounting and reporting, unless it can be specifically linked to a capital activity (e.g. a corporate IT project). This is in accordance with the Regulatory Accounting Principles and Policies document and the Capitalisation policy. As set out in the CAM, from 2019 AGN Limited has identified specific personnel working on corporate IT projects and has commenced capitalising the labour costs for those personnel as explained in Section 6.1.2 of the CAM.



A reporting tool outside of SAP (Qlikview) is used by AGN Limited to extract operating expenditure data from SAP and to produce reports for regulatory and other financial management purposes.

These reports are exported into Excel spreadsheets which are used for the purpose of consolidating financial data (APA sourced and AGN Limited data) and to undertake cost allocation processes across AGN Limited's regulated and unregulated business zones in accordance with the AGN Limited CAM. Consolidation processes include combining detailed operating expenditure information provided by APA with AGN Limited's own internal operating expenditure information.

**Reconciliation of data and information reported to the AER**

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

## **Appendix C: Overhead Expenditure**

*The following description of AGN Limited's overhead expenditure as it relates to capital expenditure reporting in the regulatory templates, applies to the information previously reported to the AER (e.g. the recently submitted Annual RIN) and to the financial information now being reported for 2020.*

### **Background**

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

### **Network overheads allocated to capital expenditure**

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

Other than the overhead costs charged by APA as the principal capital delivery contractor, AGN Limited does not capitalise any of its internal expenditure, unless it can be specifically linked to a capital activity (e.g. a corporate IT project). This is in accordance with AGN Limited's Regulatory Accounting Principles and Policies document and Capitalisation Policy.

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

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

A key process in allocating APA's network overheads is the production of the 'Ring Fenced Accounts' (RFAs) which are explained in Appendices A and B of this Basis of Preparation document. The RFAs provide the financial data to AGN Limited about APA's relevant network overheads that have been allocated across each of the regulated and unregulated gas pipelines owned by AGN Limited. The RFAs report capital expenditure inclusive of allocated network overheads (e.g. embedded within each category of capex) and also report separately the amount of network overheads that have been expensed as operating expenditure in each business zone.

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

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

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

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

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

The capitalised network overheads allocated to AGN Limited's pipelines in Victoria and Albury are first pooled together and then allocated to Victoria and Albury based on the level of Capex spend in Victoria and Albury.

## **Appendix D: Related Party Transactions and Margins**

### **Background**

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

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

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

Accordingly, payments by AGN Limited to APA for the period 1 January 2011 to 29 August 2014 were recognised as related party transactions in the information provided within the AER regulatory templates. For simplicity, this was calculated on a pro-rata basis as eight twelfths of the total payments to APA in 2014. Further, the NMF and Incentive Fee (when applicable) paid to APA for the same period, was recognised as related party margin expenditure in the information provided within the AER regulatory templates.

Since the above-mentioned change in ownership on 20 August 2014, AGN Limited has no related party transactions and related party margin expenditure to report in the AER regulatory templates.

## Appendix E: Regulatory accounting policy and other adjustments

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

| Adjustment type               | Purpose  | Notes for Basis of Preparation   |
|-------------------------------|--|--|
| <b>Network Management Fee</b> | Regulatory accounting treatment is different to Statutory accounting | <p>In accordance with the Regulatory Accounting Principles and Policies document, AGN Limited capitalises 50% of the Network Management Fee (NMF) paid to its capital delivery contractor, APA Asset Management (APA) under the network operations and management agreement (OMA). This is consistent with previous approved access arrangements for Victoria and Albury since 2008, as set out in the Regulatory Accounting Principles and Policies document.</p> <p>For Statutory Accounting purposes, 65% of the total NMF is capitalised and this amount is included in the gross Capex reporting received from APA (i.e. the Capex Data Model). Therefore, 15% of the total NMF needs to be adjusted to Opex for regulatory purposes. The NMF amount is not separately identified in this Capex reporting but forms part of the reported Network Overheads that were capitalised by APA.</p> <p>The total NMF paid to APA each year is confirmed against invoices received and other management reporting provided to AGN Limited by APA.</p> <p>The other 35% of the NMF appears in AGN Limited's operating expenditure and is separately shown in Opex management reporting received from APA (i.e. the Ring Fenced Accounts which are explained in the Cost Allocation Methodology and Appendices A and B to this Basis of Preparation document).</p> <p>To determine the adjustment required for regulatory Capex reporting, AGN Limited takes the Opex amount of NMF for each year and grosses it up, dividing the amount by 0.35 (e.g. <math>\\$2.45\text{m} / 0.35 = \\$7\text{m}</math>). The result represents 100% of the NMF for that year (e.g. <math>\\$7\text{m}</math>).</p> <p>This total is then multiplied by 0.15 to determine the amount of NMF in Capex reporting for that year which needs to be adjusted to Opex for regulatory reporting purposes (e.g. <math>\\$7\text{m} \times 0.15 = \\$1.05\text{m}</math>).</p> <p>This amount of NMF that has been included in capitalised overheads for the year (e.g. <math>\\$1.05\text{m}</math>) is deducted from each Capex activity in proportion to the Network Overheads that were capitalised in</p> |

| Adjustment type          | Purpose  | Notes for Basis of Preparation  |
|--------------------------|--|---|
|                          |  | <p>each activity. Given the network overheads are pooled between Victoria and Albury before being allocated to Capex based on spend, the amount of NMF in capitalised overheads is not exactly 65% individually in Victoria and Albury. Therefore, it is necessary for AGN Limited to calculate the regulatory accounting adjustment for NMF against the total NMF that has been capitalised across both Victoria and Albury and to re-balance the amounts capitalised in each pipeline accordingly.</p> <p>That is, the amount of Network Overheads in each Capex activity, as a percentage of the total Network Overheads capitalised in that year, determines the share of the NMF adjustment that is made to each Capex activity each year.</p> <p><u>Mapping to the Annual RIN templates</u></p> <p>Adjustments made to remove an amount of the NMF from Capex reporting impacts each Capex activity which has received an allocation of APA's Network Overheads in each year (i.e. all network Capex Activities, excluding Capex on ICT projects from 2015) and the corresponding reallocation is to Opex as Repairs and Maintenance expenditure. All of the NMF is reported as Non-labour expenditure.</p> |
| <b>Marketing Rebates</b> | Regulatory accounting treatment is different to Statutory accounting | <p>In accordance with the Regulatory Accounting Principles and Policies document, AGN Limited has consistently treated expenditure on Marketing Rebates as Opex for regulatory accounting purposes. Since 1 January 2016 AGN Limited has capitalised the rebates relating to existing customers for Statutory accounting purposes.</p> <p>For 2020, the methodology applied to determine this adjustment for regulatory accounting purposes is as follows:</p> <p>Expenditure on Marketing Rebates is identified by AGN Limited in its SAP General Ledger against the relevant general ledger account code to which capitalised marketing costs are recorded. This amount of expenditure is excluded from the internal Capex which is otherwise added to APA's Capex information to determine total Capex, and therefore is excluded from the Capex amounts reported by AGN Limited in the RIN template.</p> <p>The corresponding amounts are reported as Opex – Marketing and Retail Incentives.</p> <p><u>Mapping to the Annual RIN templates</u></p>   |

| Adjustment type                             | Purpose   | Notes for Basis of Preparation   |          |  |                                 |   |                       |   |  |
|---|---|--|----------|--|---------------------------------|---|-----------------------|---|--|
|   |   | Expenditure on Marketing Rebates is reported in the Annual RIN tables as follows:  |          |  |                                 |   |                       |   |  |
|   |   | <table><tr><th>Activity</th><th>Annual RIN tab / table / category type</th></tr><tr><td>Marketing and Retail Incentives</td><td>E1.2 Opex / E1.2.1 Reference Services – Marketing and Retail Incentives<br/>F4. Operating Expenditure / F4.1.3 Distribution Business – Marketing and Retail Incentives</td></tr><tr><td>Operating Expenditure</td><td>F1.3 Distribution Business / F1.3.2 Expenditure – Operating Expenditure</td></tr></table>  | Activity | Annual RIN tab / table / category type | Marketing and Retail Incentives | E1.2 Opex / E1.2.1 Reference Services – Marketing and Retail Incentives<br>F4. Operating Expenditure / F4.1.3 Distribution Business – Marketing and Retail Incentives | Operating Expenditure | F1.3 Distribution Business / F1.3.2 Expenditure – Operating Expenditure |  |
| Activity                                    | Annual RIN tab / table / category type  |  |          |  |                                 |   |                       |   |  |
| Marketing and Retail Incentives             | E1.2 Opex / E1.2.1 Reference Services – Marketing and Retail Incentives<br>F4. Operating Expenditure / F4.1.3 Distribution Business – Marketing and Retail Incentives |  |          |  |                                 |   |                       |   |  |
| Operating Expenditure                       | F1.3 Distribution Business / F1.3.2 Expenditure – Operating Expenditure   |  |          |  |                                 |   |                       |   |  |
| Head Office Additions and other adjustments | AGN Limited internal expenditure not included in APA Ring Fenced Accounts data  | <p>AGN Limited records internal non-network Capex in its SAP Business One finance system. This expenditure primarily relates to corporate ICT systems and office furniture and fixtures.</p> <p>Non-network Capex is recorded in the General Ledger on an accruals basis against applicable General Ledger account codes which identifies its purpose and asset class. Further this expenditure is recorded in AGN Limited’s Fixed Assets Register (FAR) and included in periodic reconciliations of additions to the FAR.</p> <p>As explained elsewhere in this basis of preparation, the detailed analysis of AGN Limited’s network Capex program is provided by AGN Limited’s capital delivery contractor APA. This information, in the form of Microsoft Excel spreadsheets populated with data extracted from APA’s Oracle finance system (e.g. the Capex Data Model) forms the basis of working files prepared by AGN Limited to produce the data and present it in the categories and sub-categories required for AER reporting.</p> <p>AGN Limited’s internal non-network Capex is manually added to these working files.</p> <p>Total Capex reported to the AER, being the combination of Capex delivered by APA and AGN Limited’s internal Capex, is reconciled to AGN Limited’s General Ledger and Fixed Assets Register and these reconciliations are provided to auditors as part of the assurance process.</p> |          |  |                                 |   |                       |   |  |

| Adjustment type | Purpose | Notes for Basis of Preparation  |
|-----------------|---------|---|
|                 |         | <p>ICT related Capex is reported in tab E1. Expenditure Summary (Table E1.1.1 – Capex – Reference Services - ICT) and tab F2. Capex (Table F2.4.2 - Capex by Asset Class – Actual – As Incurred – Computer Equipment) in the Annual RIN templates.</p> <p>Office furniture and fixtures related Capex (including leasehold improvements) is reported in tab E1. Expenditure Summary (Table E1.1.1 – Capex – Reference Service – Other Capex) and tab F2. Capex (Table F2.4.2 - Capex by Asset Class – Actual – As Incurred – Other Assets) in the Annual RIN templates.</p> <p>AGN Limited also makes other adjustments to the Capex analysis provided by APA to remove any Capex related to unregulated pipelines, where this has not already been recorded by APA, which is the ordinary process.</p> |



## Appendix F: Reconciliations for Adjustments between Audited Statutory Accounts and amounts reported for the consolidated AGN Victoria and AGN Albury Distribution Businesses (2020)

### Australian Gas Networks Limited (reporting data for Victoria and Albury) F1.2 - ADJUSTMENTS

|                         | \$0's, nominal |
|-------------------------|----------------|
|                         | 2020           |
| <b>F1.2.1 - REVENUE</b> |                |
| Total revenue           | 27,354,533     |

|                             |             |
|-----------------------------|-------------|
| <b>F1.2.2 - EXPENDITURE</b> |             |
| Total expenditure           | 152,645,289 |

|                                |              |
|--------------------------------|--------------|
| <b>F1.2.3 - PROFIT</b>         |              |
| Income tax expenses/(benefits) | (37,587,227) |
| Profit after tax               | (87,703,529) |

|  |                   |
|--|-------------------|
| <b>F1.2.1 - REVENUE (Adjustments breakdown)</b>                            | <b>2020</b>       |
| Reversal of AGN Vic/Albury Distribution Revenue <sup>(1)</sup>             | 263,729,847       |
| Add AGN Vic/Albury Revenue as per F3.5 <sup>(2)</sup>                      | (261,795,232)     |
| Reversal of AGN Vic/Albury Capital Contributions <sup>(3)</sup>            | 21,838,544        |
| Reversal of AGN Vic/Albury Profit from sale of fixed assets <sup>(4)</sup> |                   |
| Reversal of AGN Vic/Albury Other Revenue <sup>(5)</sup>                    | 3,581,374         |
| <b>Total revenue adjustments</b>   | <b>27,354,533</b> |

|   |                    |
|---|--------------------|
| <b>F1.2.2 - EXPENDITURE (Adjustments breakdown)</b>   | <b>2020</b>        |
| Operating adjustments refer F4.1.2 <sup>(6)</sup>   | (22,087,531)       |
| Reversal of AGN Vic/Albury Statutory Depreciation <sup>(7)</sup>                            | 39,076,124         |
| AGN Vic/Albury Regulatory Straight-line Depreciation as per the AA allowance <sup>(8)</sup> | (80,951,400)       |
| Reversal of AGN Vic Statutory Net Financing Expenses <sup>(9)</sup>                         | 57,219,083         |
| AGN Vic/Albury allocation of Net Financing Expenses <sup>(10)</sup>                         | (51,813,890)       |
| Reversal of AGN Vic/Albury Other Expenses <sup>(11)</sup>                                   | 211,202,902        |
| Reversal of AGN Vic Impairment Losses <sup>(12)</sup>                                       | -                  |
| <b>Total expenditure adjustments</b>  | <b>152,645,289</b> |

|   |                     |
|---|---------------------|
| <b>F1.2.3 - PROFIT (Adjustments breakdown)</b>            | <b>2020</b>         |
| Income tax expenses/(benefits) adjustment <sup>(13)</sup> | (37,587,227)        |
| <b>Profit after tax</b>                                   | <b>(87,703,529)</b> |

**Notes:**

- (1) Reversal of AGN Vic/Albury Statutory Distribution Revenue
- (2) AGN Vic/Albury Distribution Revenue including Revenue by Tariff, Ancillary Reference Services Revenue and Non Reference Services Revenue. Refer Regulatory Accounting Principles and Policies section 4.1
- (3) Reversal of AGN Vic/Albury Statutory Capital Contributions. Refer Regulatory Accounting Principles and Policies section 4.2
- (4) Reversal of AGN Vic/Albury Profit from sale of fixed assets. Refer Regulatory Accounting Principles and Policies section 4.3
- (5) Reversal of AGN Vic/Albury Statutory Other Revenue. Refer Regulatory Accounting Principles and Policies section 4.4
- (6) Refer to the Operating Adjustments (1-7) as per F4.1.2 Adjustments summary
- (7) Reversal of AGN Vic/Albury Statutory Depreciation
- (8) AGN Vic/Albury Regulatory Nominal Straight-line Depreciation. Refer Regulatory Accounting Principles and Policies section 6.1
- (9) Reversal of AGN Vic Statutory Net Financing Expenses
- (10) AGN Vic/Albury allocation of Statutory Net Financing Expenses. Refer Regulatory Accounting Principles and Policies section 6.2
- (11) Reversal of AGN Vic Intercompany Charges with Parent Entity
- (12) Reversal of AGN Vic Statutory Impairment Losses. Refer Regulatory Accounting Principles and Policies section 6.4
- (13) Net Income Tax Expenses adjustment required to arrive at an Income Tax for AGN SA which represents 30% of Net Profit or Loss Before Tax as shown in Table F1.3.3. Refer Regulatory Accounting Principles and Policies section 6.5

**Australian Gas Networks Limited (reporting data for Victoria and Albury)**

**F4.1.2 - ADJUSTMENTS**

| Description  | \$0's, nominal      |
|--------------|---------------------|
|              | 2020                |
| <b>Total</b> | <b>(22,087,531)</b> |

| Breakdown of Adjustments   | 2020                |
|--|---------------------|
| Opex (National/State Based) reallocated from other AGN Networks to AGN Vic/Albury <sup>(1)</sup> | (8,867,303)         |
| Opex related to AGN Vic/Albury Unregulated Pipelines <sup>(2)</sup>                              | 141,665             |
| AGN Vic/Albury Regulatory Adjustments <sup>(3)</sup>   | (1,621,216)         |
| Opex related to AGN Vic/Albury Unregulated Revenue <sup>(4)</sup>                                | 3,409,072           |
| Reversal of AGN Vic/Albury Internal costs/accruals <sup>(5)</sup>                                | 7,937,554           |
| Allocation of AGN Ltd Group Debt Raising Costs to AGN Vic/Albury <sup>(6)</sup>                  | (1,130,728)         |
| Allocation of AGN Ltd Group Internal Costs to AGN Vic/Albury <sup>(7)</sup>                      | (21,956,575)        |
| <b>Total</b>   | <b>(22,087,531)</b> |

**Notes:**

(1) Net allocation of APA business support costs. Refer APA Indirectly Allocated Costs determined as per section 6.2.2.1 of the CAM.

(2) To remove costs related to the AGN Vic/Albury unregulated pipelines. Sourced from the Ring Fenced Accounts as provided by APA. Refer APA Indirectly Allocated Costs determined as per section 6.2.2.1 of the CAM.

(3) Covers transfer of Statutory Capex into Regulated Opex as per the Regulatory Accounting Principles and Policies document and Capitalisation Policy.

Refer Regulatory Accounting Principles and Policies document section 7.2.2 Capitalised Overheads (Network Management Fees), and section 7.2.3 Marketing Rebates. Also refer Capitalisation Policy section 4.3.2 Marketing Rebates and section 5.2.1 Overhead Costs.

(4) To remove costs related to AGN Vic/Albury unregulated revenue as provided by APA. Refer Section 5.1 of the Regulatory Accounting Principles and Policies document

(5) Removal of AGN Vic/Albury internal costs/accruals as per the SAP General Ledger. Refer AGN Internal directly Attributable Costs as per section 6.2.1.2 of the CAM

(6) Allocation of AGN Ltd Group debt raising costs to AGN Vic/Albury. Refer AGN Internal Indirectly Allocated Costs as per section 6.2.2.2

(7) Allocation of AGN Ltd Group internal costs to AGN Vic/Albury. Refer AGN Internal Indirectly Allocated Costs as per section 6.2.2.2