



**EnergyAdvice**

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**Joint Submission to AER**

on the  
Jemena Gas Networks (NSW)  
Revised Access Arrangement  
– August 2009

**10 November 2009**

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## 1. Introduction

### 1.1 Parties to this Submission

The Australian Energy Regulator (**AER**) has invited submissions in relation to the Jemena Gas Networks Limited (**JGN**) proposed Access Arrangement for the NSW Network for the period 2010 to 2015 (**proposed AA**).

EnergyAdvice is pleased to have the opportunity to present this submission on behalf of a group of major NSW contract gas users whose sites are predominantly located in the Sydney and Newcastle Regions.

The following companies are represented by EnergyAdvice in this joint submission:

- Alcoa Australia Rolled Products Pty Ltd
- Boral Limited
- Brickworks Limited
- CSR Limited
- Coca-Cola Amatil (Australia) Pty Ltd
- Fletcher Building (Australia) Pty Ltd
- Hydro Aluminium Kurri Kurri Pty Ltd
- Inghams Enterprises Pty Ltd
- Lion Nathan Limited
- Star City Pty Ltd
- Tomago Aluminium Company Pty Ltd
- Unilever Australia (Holdings) Limited
- Weston Aluminium Pty Ltd

as well as a number of other companies who do not wish to disclose their name at this stage.

The above companies, in aggregate, consume approximately 10 PJ per annum of natural gas at over 40 sites throughout the State. They represent more than 10% of the total NSW gas market demand served by JGN, and around one-sixth of the JGN contract (now referred to as 'Demand') market load.

These gas users' sites also represent a broad cross-section of Demand customer sites in terms of gas usage, proximity to the gas pipelines and range of local network charges.

The issues and concerns raised by these companies are considered to be broadly representative of the views of typical Demand customers on the JGN gas distribution network.

## 1.2 Structure and Scope of Submission

In this submission we have attempted to identify and provide comment on particular matters included in the proposed AA that require review and further consideration by JGN and AER. These issues are of relevance to companies represented in this joint submission and other large Demand customers.

This submission does not attempt to comment on all aspects of the proposed AA. The focus is on areas specific to the Demand customer market, particularly in relation to reference services and matters related to those services, including terms and conditions attached to the proposed services and in particular cost impacts on customers relating to the revised tariff structures.

It should be noted that we make no specific comments in this submission in relation to various other key aspects of the proposed AA such as JGN's capital expenditure program, operating costs, cost of capital, and tariff market impacts.

## 1.3 Definitions for Clarification

For clarification of terms used in this submission:

- The proposed AA (when approved by AER) will be implemented on 1 July 2010 to replace the Access Arrangement approved by IPART and which has been operative since 1 July 2005 (**current AA**).
- For consistency with the terminology used by JGN under both the current AA and proposed AA, the party contracting with JGN to transport gas through the network is referred to as the User, notwithstanding that the User is generally a retailer. The end user of gas, ie the gas consumer, is referred to as a **customer** and large gas consumers are referred to as **contract customers** or **demand customers**.

## 2. Consultation Process

AER's consultation process in relation to JGN's proposed AA requires an appropriate basis and opportunity for extensive public discussion given the magnitude and extent of the changes being proposed by JGN. AER has published the following scheduled dates for key stages in the decision making process:

| Key stages in the decision making process | Scheduled date      |
|---|---------------------|
| Publish proposal                          | 15 September 2009   |
| Forum on proposal in Sydney *             | 23 September 2009   |
| Submissions on proposal                   | 10 November 2009    |
| Release of draft decision                 | Early February 2010 |
| Forum on draft decision in Sydney *       | late February 2010  |
| Revised proposal to be submitted          | Mid March 2010      |
| Submissions on draft decision             | End April 2010      |
| Release of final decision                 | End May 2010        |

[\* Steps not mandated under the National Gas Rules]

It is of particular note and concern that AER has not scheduled a forum for public discussion on the JGN proposal **prior to** the release of AER's draft decision.

Whilst accepting of the fact that public forums do not form part of the mandated requirements for an access arrangement review under the National Gas Rules, we urge the AER to support public representation and involvement wherever practical in all steps of the review process.

AER has considered it appropriate to conduct an initial forum for JGN to present their proposed AA (already held on 23 September 2009), and then schedule a forum for parties to discuss AER's draft decision. It seems totally inadequate that discussion on the proposed AA in a public forum should not also be afforded prior to AER releasing its draft decision. In all previous regulatory processes conducted by IPART for the NSW gas networks, the public forums held prior to IPART reaching its draft decision were of critical importance to the review process.

The forum held on 23 September 2009 did not provide an adequate opportunity for interested parties to be able to make meaningful commentary on the proposed AA as there was only limited prior opportunity to review the published documentation.

We formally request that AER schedule a public forum circa early December to provide the opportunity for public discussion prior to AER formalising its draft decision.

We also request a separate meeting with AER attended by representatives of the above-mentioned gas users to discuss issues in relation to the proposed AA.

### 3. General Comments

JGN states in its overview of the AA Information (p.xv) that:

“The revised access arrangement ... is the fourth edition of the instrument that regulates JGN’s pipeline services and prices ... [and] builds upon previous revisions, with a number of substantial developments and increasing benefits to users and customers.”

There are indeed some substantial developments being proposed by JGN under the proposed AA – some beneficial to customers, some not beneficial at all.

Whilst there are various changes which warrant acknowledgement and support, a number of proposed changes are not appropriate and are inconsistent with the outcomes which have been previously derived from the earlier AA review processes.

In terms of some of the headline proposed changes:

| Terms and Conditions                                     | Comment   |
|--|---|
| Simplified reference services                            | <p>Broadly supported.</p> <p>To the extent that overruns, short term capacity, summer tranches and retrospective MDQ adjustments can be rolled into a simpler tariff structure for users, this is supported. However, many of the detailed terms and conditions around the proposed tariff structures need amendment before they can be supported.</p>  |
| “Hub to Point” haulage service in Wilton Network section | <p>JGN has sought to amend the service offering for Demand customers from “point to point” to “hub to point”, citing consistency with the operations of the short term trading market. This may be appropriate in relation to Wilton and Horsley Park. However in the event of an eventual additional new receipt point into the JGN network near Newcastle, that additional receipt point should not be treated as an equivalent receipt point for the purposes of “hub to point” due to the considerable cost allocation distortion between receipt points on the network.</p> <p>For the sake of reminding ourselves of a bit of history, it is interesting to note that the previously vocal opponents against “merging” Wilton and Horsley Park under JGN network tariffs, ie the owners of the Eastern Gas Pipeline (EGP), are now under the same ownership interests as JGN. Time – and a change of ownership – can heal such divergence of views.</p> |
| Haulage Reference services                               | <p>Replacement of Capacity Reservation Service and Managed Capacity Service with a single</p>   |

|  |  |
|--|--|
|  | <p>service is broadly supported – however, only if accompanied by an appropriate mechanism for the setting of MDQ / Chargeable Demand</p>  |
| Removal of overruns  | <p>Supported.</p> <p>Overrun charges have traditionally been both complex to calculate and an administrative burden for JGN, retailers and users. A simpler understandable process is wholly supported.</p>  |
| Increase in Chargeable Demand  | <p>Not supported as currently proposed.</p> <p>Under the proposed service terms, JGN may increase the Chargeable Demand to equal the ninth-highest actual Quantity of Gas withdrawn at the Delivery Point in any one Day over a 12 month period. This is a rolling monthly calculation, with the Chargeable Demand quantity only ratcheting in one direction, ie up.</p> <p>Whilst this mechanism as drafted may allow for the removal of overruns, JGN imposes unreasonable pre-conditions associated with requests by users to decrease their forward CD booking (refer clause 4.7 of the Reference Services Agreement), including that any request would not take effect for a further 12 months after a request has been submitted and that JGN has significant discretion as to whether it accepts the request.</p> <p>Customers currently have the right to reduce their MDQ booking on an annual basis (not with 12 months notice and not subject to JGN's "reasonable satisfaction"). The JGN proposal in respect of this provision is punitive rather than beneficial to customers.</p> |
| No minimum term for booking and Site Closures                        | <p>The concept of no minimum term is supported. However as JGN will still charge a Demand Charge based on the daily quantity if a site closes, and will not allow for any relief from that charge for a period of 12 months, there is no substance to the 'perceived' benefit to users. AER should ensure that the change to no minimum terms supports the market generally and is not just another method of revenue raising for an extended period.</p>  |
| Consolidation of previously separate trunk and local network charges | <p>Not supported. See below.</p>   |
| Meter Data Services for Customers                                    | <p>Still no direct data service to end users is being provided. As meter data services are not contestable, this needs to be reviewed. See</p>   |

|  |   |
|--|---|
|  | below.  |
| <b>Schedule 2 – Initial Reference Tariff Schedule:</b>   |   |
| <ul style="list-style-type: none"> <li>• Demand Capacity Rates</li> </ul>                        | <p>Not supported. See below.</p> <p>The initial rates schedule dramatically changes the cost allocation basis between zones to the extent that cost reflectivity would be totally compromised.</p>  |
| <ul style="list-style-type: none"> <li>• First Response</li> </ul>                               | <p>Supported.</p> <p>The concept of an interruptible supply tariff makes sense from an operational perspective, and particular given it is a voluntary rather than mandatory category.</p> <p>However, AER needs to be satisfied that JGN has used reasonable assumptions in determining how many and which demand customers will be taking up this service – else the JGN revenue outcome could be distorted.</p>  |
| <ul style="list-style-type: none"> <li>• Classification by Location</li> </ul>                   | <p>Requires updating.</p> <p>It is noted that JGN seeks to retain the assignment of Delivery Point locations on the basis of the 1997 Australia Post postcodes boundaries. Given that there have been a number of postcode changes for different locations since 1997, and that the classification should be capable of being transparent to all parties (not just those who happen to know postcodes boundaries from last century), JGN should be required to update its classification tables to reflect current postcodes at all times.</p> <p>There needs to be absolute transparency as to what boundaries are applying, and relevant maps should be made available by JGN to AER and publicly available to interested parties. An arbitrary decision to allocate a contract user in a higher zone imposes significantly higher costs.</p> |
| <ul style="list-style-type: none"> <li>• Provision of Basic Metering Equipment Charge</li> </ul> | <p>Supported.</p> <p>The current metering equipment charge is meter set specific – which is virtually impossible for parties to easily identify for the purposes of determining applicable charges.</p> <p>The proposed charge basis – where the applicable factors are MHQ and single/double runs – is both simplified and more transparent.</p>   |
| <ul style="list-style-type: none"> <li>• Minimum Aggregate Charge</li> </ul>                     | Not supported. See below.   |



|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>Meter Data Service</li> </ul>            | <p>Not supported.</p> <p>JGN proposes to increase both the Meter Reading Charge and Provision of On-Site Data and Communications Equipment Charge by 49%. What is the basis of such an increase?</p> |
| <ul style="list-style-type: none"> <li>Weather variation adjustments</li> </ul> | <p>No supported. See below.</p>  |

In summary, directionally the proposed AA provides the potential for some positive outcomes for users compared with the current AA – of particular note is the reduction in the number of tariff services and the removal of overruns. However some of the proposed terms and conditions associated with these changes are in fact detrimental to customers and impose restrictions which totally undermine the claimed or potential benefits from the customer’s perspective.

An appropriate adjustment to these associated terms and conditions would provide a more balanced and equitable outcome for and between JGN, users and customers.

There are a number of key issues which require robust scrutiny by the AER prior to finalisation and determination of the proposed AA.

Further discussion on these issues is included in the following sections.

## 4. Amendment to Reference Services

### 4.1 Merging of Trunk and Local Network Services

Clause 10.1 of the proposed AA states that the AER has directed JGN, under Rule 53 of the National Gas Rules to consolidate the access arrangements for its four Covered Pipelines:

- (i) Wilton-Newcastle trunk pipeline;
- (ii) Wilton-Wollongong trunk pipeline;
- (iii) AGL NSW distribution system; and
- (iv) AGL Central West distribution system.

It should be remembered that the AER’s direction to consolidate the access arrangements for these pipelines was only in response to JGN’s request of 16 April 2009 to do so to save JGN the administrative burden of maintaining four separate access arrangements.

The final direction from AER on 9 June 2009 granting the consolidation was subject to JGN maintaining and keeping information separately about the Capital Base of these pipelines.

JGN's proposed AA provides for two types of reference services to users, a haulage service for transportation of gas by JGN through its network and a meter data service for the provision of meter reading and on-site data and communication equipment.

This proposed variation in tariff structure represents a major variation to the structure under the current AA.

JGN has essentially sought to remove the Trunk Service from its proposed AA. Notwithstanding the direction to maintain separate capital bases in relation to the Trunk pipelines, JGN has sought to merge the trunk and local network sections for the purposes of the proposed services offering and proposed reference charges.

Combined with what would appear to be a reallocation of cost base (as discussed in the Pricing Outcomes section below), JGN's proposal represents an inappropriate basis for reference services under the NSW gas network.

## **4.2 Negotiated Services**

The 2005 access arrangement review process included significant debate regarding the potential de-linking of trunk and local network services for customers, around the issue of whether the service provider (at that time AGLGN) should be required to retain the right for a partial use of assets, ie utilising the trunk service without also having to contract for the local network service.

IPART's determination on this issue was that the trunk only service was required to be included in the current AA under the Negotiated Services. The relevant provision (section 2.9) reads:

“Where it is technically and commercially reasonable, AGLGN will offer a Trunk Negotiated Service without the linked Local Network Service where:

- The gas is transported from a Receipt Point to a Delivery Point along the Wilton/Newcastle and or Wilton/Wollongong Trunk Sections;
- The Delivery Point has metering equipment approved for this purpose by AGLGN; and
- The gas transported does not utilise any component of the AGLGN Local Network prior to its delivery at its ultimate Delivery Point (i.e. at a customer site which the gas is consumed).

Where AGLGN offers a Trunk Negotiated Service without a linked Local Network Service, then the stand-alone Trunk Negotiated Service will be offered under comparable Terms and Conditions to the equivalent Trunk Reference Services, subject to AGLGN's reasonable commercial and technical requirements.”

It should be noted by AER that JGN has deleted the above provisions from the Negotiated Services section of the proposed AA – presumably on the basis that there is no need to retain reference to a Trunk Negotiated Service when JGN no longer intends to separately identify a trunk service under the proposed AA.

In seeking to ensure separate trunk and local network services are retained in the proposed AA, EnergyAdvice would seek to ensure that – at a minimum – the Trunk Negotiated Service provisions are reinstated into the proposed AA.

### **4.3 Bypass Opportunities**

Pricing under reference services for any regulated pipeline network needs to remain robust against the threat of bypass.

On page 186 of the AA Information, JGN reviews the requirement for Efficient Pricing and Tariff Efficiency. Specifically in relation to stand alone costs, JGN states:

“Stand alone cost represents the cost that would be required to replicate or bypass the network. It follows that if customers were charged above stand alone costs, it would be beneficial for that group of customers to bypass the network, or to be provided by a new entrant, if entry is feasible. Therefore, these costs are comprised [if] the assets and operating costs that would be required to provide services to that tariff class.”

Over the history of the regulatory processes that have regulated JGN's pipeline services and prices, the NSW gas network has been assessed by parties to ensure that the reference services and prices are robust against the bypass alternative.

In particular, EnergyAdvice (then operating as GasAdvice) was commissioned by a group of major gas customers during 1999 to assess bypass options and provided detailed feasibility studies to IPART as part of their determination process for the 2000 Access Arrangement.

Whilst bypass in itself should only ever result from a failure of a service provider to price at a level which is robust against the stand alone cost, it is important for AER to recognise that JGN should be required to meet that criteria under the proposed AA.

JGN's proposal to merge the Trunk and Local Network Services could be seen to be a means by which partial use of system assets, ie trunk only services, is not provided under the proposed AA, and therefore the risk of bypass averted by regulatory process.

AER should note that the bypass studies which were undertaken in 1999 – particularly those across various sites around western Sydney – recognised and were a reaction to the excessive local network charges being proposed by AGLGN.

As a response to the proposed 50% increases in demand customer charges in Demand Capacity Zones 1 and 2 in particular (the current Sydney Local Network zones 1 and 2) under the proposed AA, it is perhaps time to dust off the old bypass studies to again examine the veracity of JGN's proposed tariff structure.


It would be inappropriate if JGN's proposed merging of trunk and local network services could be used as an obstacle to enabling cost reflective network tariffs to be provided to customers in all zones of the network.

AER should require JGN to maintain separate trunk and local network services and tariffs under the proposed AA.

## 5. Pricing Outcomes for Demand Customers

### 5.1 JGN's Proposed Pricing Outcomes

JGN presented the following slide in its presentation to the AER Public Forum on 23 September 2009 in terms of Pricing Outcomes under the proposed AA:



### Pricing Outcomes

- Volume tariffs
  - Change in tariff in 2010-11 CPI plus 34.3%
  - Coastal delivery point rates include trunk (excluded from country tariffs)
- Demand tariffs
  - Outcome varies for individual sites
    - tariff category selected
    - location
    - effect of chargeable demand reset
    - First Response option
    - minimum bill
  - No material change in total revenue from demand service
  - Minimum bill (\$20k pa year 1 - increasing to \$60k pa in year 5, monthly charge)
- Meter data service
  - Change in tariff in 2010-11 CPI plus 49%
  - Result of improved accuracy of inputs for cost allocation

### 5.2 Volume tariff increase in 2010-11 of CPI plus 34.3%

Whilst this submission does not intend to specifically comment about the proposed tariffs applicable for Volume customers, it is acknowledged that:

- approximately 88% of JGN's revenue is derived from the Volumes market;
- load growth in the AA network demand forecasts is exclusively assumed to be in the Volume rather than Demand segment of the market;
- forward capital expenditures are therefore assumed to be almost exclusively linked to the growth in Volume customers.

Based on the above assumptions, it is considered appropriate that any anticipated increase in revenues which JGN is seeking under the proposed AA should be directed to the Volume segment and not the Demand segment of the market.

It is specifically noted that JGN has stated above that there would be "No material change in total revenue from [the] demand service".

### 5.3 “No material change in total revenue from demand service”

There are a range of pricing, volume, services and revenue assumptions which will determine the extent to which the stated outcome in terms of total revenue from demand customers will be achieved.

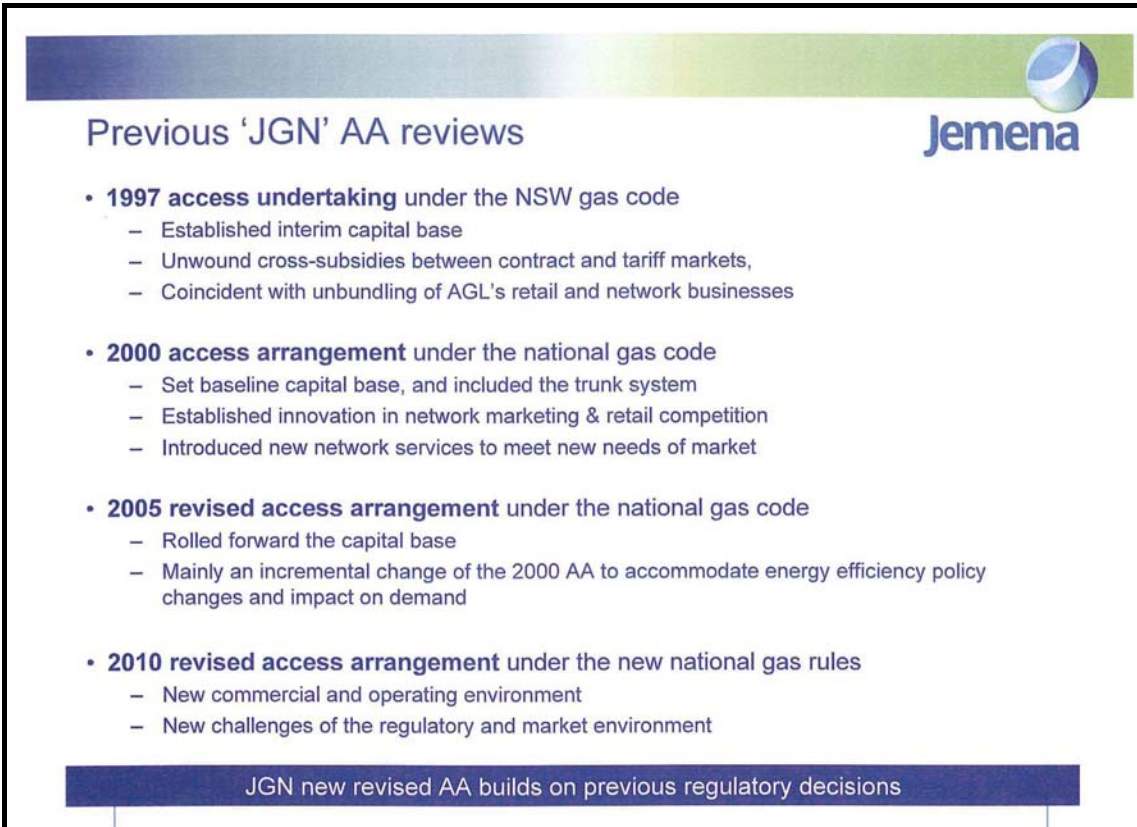
AER needs to satisfy itself that the various assumptions used by JGN to derive this neutral total revenue outcome for demand customers are valid and have been fully and appropriately modelled.

As highlighted by the results of the analysis described in section 5.5 below, the sheer magnitude of the across-the-board increases in proposed charges for Demand customer sites in the Sydney region raises the need for independent verification of the claim by JGN that there will be no material change in total revenue from demand service customers.

### 5.4 “Outcome varies for individual sites”

The three previous Access Undertaking and Access Arrangement processes were both detailed and clearly progressively developed the set of criteria upon which the cost allocation and tariff structures between various zones and customers were established.

JGN summarised the stepped progress through these processes in the attached slide presented at the AER Public Forum on 23 September 2009:



**Previous 'JGN' AA reviews**

- **1997 access undertaking** under the NSW gas code
  - Established interim capital base
  - Unwound cross-subsidies between contract and tariff markets,
  - Coincident with unbundling of AGL's retail and network businesses
- **2000 access arrangement** under the national gas code
  - Set baseline capital base, and included the trunk system
  - Established innovation in network marketing & retail competition
  - Introduced new network services to meet new needs of market
- **2005 revised access arrangement** under the national gas code
  - Rolled forward the capital base
  - Mainly an incremental change of the 2000 AA to accommodate energy efficiency policy changes and impact on demand
- **2010 revised access arrangement** under the new national gas rules
  - New commercial and operating environment
  - New challenges of the regulatory and market environment

JGN new revised AA builds on previous regulatory decisions

It was in fact the 2000 access arrangement which established the pricing basis under which the various costs were determined by IPART – in particular via the setting of the baseline capital

base (including for the trunk system), for demand customers the postcode zonal basis for charges, and the cost allocations between customers and regions.

JGN has stated that it intends to introduce a pricing outcome under which the “outcome varies for individual sites”. However whilst that is acknowledged, and in fact is appropriate for particular services such as the First Response tariff category, this should not provide a carte blanche right for JGN to reallocate the cost/revenue basis that has previously been established and approved under the prior access arrangement processes conducted by IPART.

In the documentation presented to AER, JGN has provided no analysis of what the individual impact of individual sites will be under the proposed AA.

EnergyAdvice has undertaken a detailed analysis of the anticipated cost impact on selected customers on a site by site basis, and in particular has identified that the cost outcomes not only varies for each customer, but varies massively. The extent of the anticipated outcomes based on the modelling which we have undertaken requires thorough analysis by AER to determine whether the cost reflectivity under the proposed tariff structures has been compromised vis-à-vis the current AA tariffs.

## **5.5 Site analysis – implications of proposed tariff structure**

EnergyAdvice has modelled the cost implications of the proposed AA tariff structure on a site-by-site basis for over 50 demand customer sites serviced by the JGN gas network.

The modelling sought to provide a comparison of the charges under the current AA versus charges under the proposed AA.

The results of this modelling suggest that there will be **big winners** and **big losers** under the proposed structure.

As this is a public submission, the individual company and site gas load details and cost outcomes have not been included at the request of the customers. **AER should seek to satisfy itself as to the individual cost outcomes by customer and site as part of its review of the proposed AA.**

However, to assist interested parties in understanding the implications of the proposed tariff structure by site, we have included in this submission the following models:

- Comparative current AA versus proposed AA tariff outcomes (including build up of costs by component) for a demand customer:
  - using 1 PJ pa (Attachment 1-1 and 1-2);
  - using 250 TJ pa (Attachment 1-3 and 1-4); and
  - using 25 TJ pa (Attachment 1-5 and 1-6)

in each of the eleven (11) different tariff classes (or pricing zones) proposed by JGN.

- As above, but showing the comparative outcomes using different Receipt Points under the current AA versus the Hub approach now proposed by JGN, based on Receipt Points at:
  - Wilton;
  - Horsley Park; and
  - Hexham (assumes a new supply point into the network at or around Newcastle for supply of gas from Queensland or northern NSW)

(Attachments 2-1 to 2-3)

The following table provides a brief snapshot of the cost outcomes for the different scenarios described above:

| Customer Gas Load Assumptions |       |              |           |              |           |              |           |
|-------------------------------|-------|--------------|-----------|--------------|-----------|--------------|-----------|
| ACQ                           | GJ    | 1,000,000    |           | 250,000      |           | 25,000       |           |
| MDQ / CD                      | GJ    | 3,425        |           | 979          |           | 105          |           |
| MHQ                           | GJ    | 290          |           | 80           |           | 13           |           |
| First Response: Yes or No     |       | No           |           | No           |           | No           |           |
| Demand Capacity Zone          |       | DC-1         | DC-6      | DC-1         | DC-6      | DC-1         | DC-6      |
| Site Location (Indicative)    |       | Horsley Park | Kooragang | Horsley Park | Kooragang | Horsley Park | Kooragang |
| Receipt Point                 |       | Wilton       |           |              |           |              |           |
| Current AA Charges            | \$ pa | 317,171      | 537,243   | 131,393      | 175,460   | 26,004       | 26,716    |
| Proposed AA Charges           | \$ pa | 490,912      | 310,875   | 185,110      | 108,347   | 36,329       | 22,705    |
| Differential                  | \$ pa | 173,741      | (226,369) | 53,717       | (67,113)  | 10,325       | (4,011)   |
|                               | %     | 54.8%        | -42.1%    | 40.9%        | -38.2%    | 39.7%        | -15.0%    |
| Receipt Point                 |       | Horsley Park |           |              |           |              |           |
| Current AA Charges            | \$ pa | 290,956      | 511,028   | 123,900      | 167,967   | 25,200       | 25,912    |
| Proposed AA Charges           | \$ pa | 490,912      | 310,875   | 185,110      | 108,347   | 36,329       | 22,705    |
| Differential                  | \$ pa | 199,956      | (200,154) | 61,210       | (59,620)  | 11,129       | (3,208)   |
|                               | %     | 68.7%        | -39.2%    | 49.4%        | -35.5%    | 44.2%        | -12.4%    |
| Receipt Point                 |       | Hexham       |           |              |           |              |           |
| Current AA Charges            | \$ pa | 645,081      | 269,134   | 225,123      | 98,824    | 36,057       | 18,496    |
| Proposed AA Charges           | \$ pa | 490,912      | 310,875   | 185,110      | 108,347   | 36,329       | 22,705    |
| Differential                  | \$ pa | (154,168)    | 41,740    | (40,013)     | 9,523     | 272          | 4,208     |
|                               | %     | -23.9%       | 15.5%     | -17.8%       | 9.6%      | 0.8%         | 22.8%     |

A layman's interpretation of the above table:

- Under the current AA, a 1 PJ pa customer in western Sydney currently pays \$317,000 pa in network charges for gas supplied from the Wilton Receipt Point. The same 1 PJ pa customer in Newcastle is currently paying \$537,000 pa.
- Under the proposed AA, the same 1 PJ pa customer in western Sydney would pay \$491,000 pa, an increase of \$174,000 (or 55%), whilst the 1 PJ pa customer in Newcastle would now pay only \$311,000 pa, a decrease of \$226,000 (or 42%).

[Similar calculations are provided for the Horsley Park Receipt Point, and for one at Hexham (near Newcastle) to provide an indication of the tariffs that would apply under the current AA using backhaul services.]

Some of the conclusions in relation to the modelling outcomes can be summarised as follows:

- The use of the Demand Capacity Unit Rates (under the proposed AA) instead of the combination of Trunk and Local Network Unit Charges (under the current AA) derives substantially different outcomes for different tariff classes (or pricing zones).
- Customers in the Sydney region (in particular zones 1-3, now DC-1 to DC-3) would incur cost increases of in excess of 50%. [Note that some companies represented in this joint submission will see cost increases exceeding 60% at some sites]
- Customers in the Newcastle region (specifically zone 1, now DC-6) would see cost decreases of in excess of 40%.
- Perversely, a customer using gas in DC-6 (Newcastle) would now pay substantially less in network charges than an equivalent sized customer located in the proximity of the trunk in western Sydney (ie DC-1 or DC-2) for gas delivered into the network at Wilton or Horsley Park:
  - 23% less for a 1 PJ pa customer; and
  - 41% less for a 250 TJ pa customer.
- Attachments 1-5 and 1-6 show current and proposed tariffs for smaller Demand customers using an indicative 25 TJ pa load. The outcome is an across-the-board increase in the Sydney zones of between 35-40%. Note however that any minimum charge adjustments would be in addition to the calculated tariffs.
- Modelling seems to indicate an across-the-board increase for country zone customers. This needs to be confirmed/clarified by JGN.

The principles by which tariff charges are calculated ought to be consistent and in place for the long term to provide users with predictability in relation to their costs.

During the period of the proposed AA, JGN will undertake expansion and upgrade projects. However despite the potential at some future stage for new pipelines to be connected to the JGN trunk, there are currently no material changes to the JGN network, in the physical sense, which would require such a significant financial alteration in tariff structures as proposed by JGN.

Previous access arrangement user submissions and subsequent determinations by IPART reinforced the differentials in tariff pricing structures between different sections of the network. Those principles ought still to apply. AER should seek detailed explanation and justification from JGN in relation to changed tariff structures.

## **5.6 What conclusions can be drawn from the proposed tariff structure?**

EnergyAdvice is extremely concerned that the implications of the proposed tariff structure on individual sites and customers have not been fully understood by JGN. If it is the case that JGN has simply looked at the new tariffs on a macro rather than site or customer specific level, then the implications will not have been analysed.



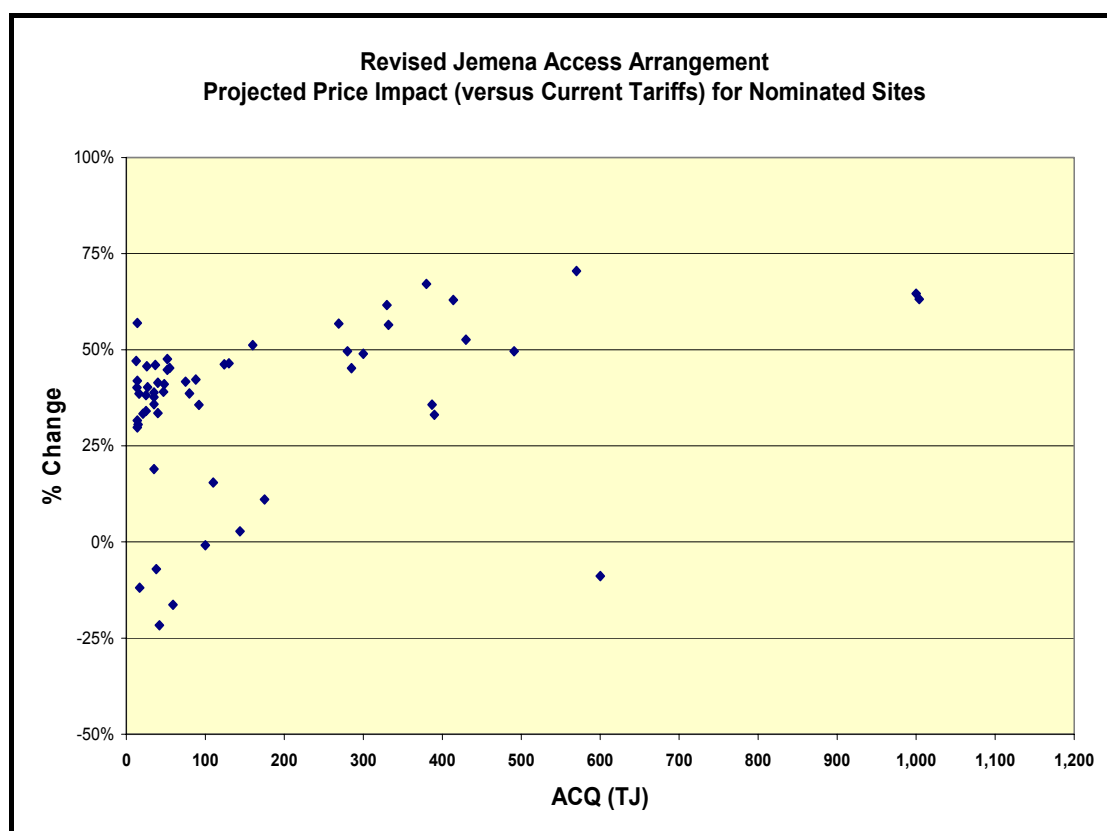
AER needs to ensure that a full disclosure and analysis of the impact on individual sites and customers has been undertaken by JGN.

How can it be that Newcastle customers are going to pay substantially less than Sydney customers for an equivalent service when the gas is delivered into the system at Wilton or Horsley Park?

A number of Sydney-based customers have concerns that JGN is seeking to redistribute current Newcastle revenue away from Newcastle customers and onto Sydney customers to mitigate the potential risk of JGN losing the Newcastle customer revenue in the event of gas supply into Newcastle from south east Queensland or northern NSW.

Is JGN proposing that Sydney customers subsidise Newcastle customers in an attempt to make Newcastle more competitive when supplied from the south versus potential supply from the north?

The following graph depicts comparative tariff pricing impacts across a range of assessed customer sites. The graph reinforces the conclusion from EnergyAdvice’s analysis that there appear to be a substantially larger number of losers than winners under the proposed revised tariff structure.



Either JGN has not done its homework and properly understood the implications on customers of its new tariff structure, or alternatively the proposed tariff structure is a clear attempt to compromise the cost reflectivity of the trunk and local network framework that has been in place for the past ten years under the 2000 and 2005 Access Arrangements respectively.

A careful comparison of the Annual Unit Charge (being the sum of the Trunk Unit Charge and the Local Network Charge) under the current AA and the Demand Capacity Rate under the proposed AA highlights the fact that the Demand Capacity Unit Rates being proposed for the five Sydney zones bear no resemblance to the current AA charge structure.

## 6. Minimum Charge

The proposed AA introduces a minimum bill charge for demand customers which increases each year of the proposed AA to \$5,000 per month by year 5.

JGN state that this is to remove “perverse incentives” at the threshold between volume and demand customers and to provide a smooth transition in price between the volume and demand tariff classes.

The justification for the introduction of a minimum demand bill is based on JGN’s assertion that “some customers who moved from the volume to the demand market initially experienced a significant price reduction despite the increase in their capacity requirements”.

JGN do not state how many “some’ customers are and the quantum of loss incurred by JGN. We also question how a customer’s capacity requirements would automatically increase simply by a move from a Volume to a Demand tariff. Additionally, we do not understand why a customer, after paying for connection, meter and capacity charges should be subject to a minimum bill merely for retaining connection to the network.

We urge AER to refuse JGN’s proposal in respect to this matter. Many of the companies represented by this submission operate a number of small sites. The imposition of a minimum charge across the board will, in some cases, **more than double** their annual gas network costs.

## 7. Business Continuity Event

JGN proposes passing through costs from events that affect its business continuity (a “Business Continuity Event”) for which it believes is prohibitively expensive to fully insure.

Some such events are identified as tsunamis, cyclone, pandemic illness and earthquake. Costs may also be passed on for supply curtailment and other unknown events.

We consider the Force Majeure Event clause contained in the proposed Reference Services Agreement adequately protects JGN in relation to their obligations and liabilities in these circumstances. Whilst it would be difficult, if not impossible for anyone to insure for these events, there is no reason or justification for JGN to pass on additional costs. Further, the definition of a Business Continuity Event is not limited to only those circumstances listed. The provision is therefore open to abuse by JGN. We are not aware of other access arrangements that provide the service providers with such broad options for passing on costs.

## 8. Variation for revenue effects from weather

In their submission to the AER, JGN states that weather presents an reasonable level of revenue risk and volatility. As the weather is a factor over which JGN has no control they believe they should not be required to accept economic loss arising from forecast error.

JGN's proposed AA seeks to adjust tariffs via a symmetrical mechanism that will adjust JGN's revenue if the weather is hotter or colder (and demand is lower or higher, respectively) than expected. This, JGN states, would ensure JGN experiences neither windfall gains nor losses due to the weather.

The companies represented by this submission, as would the vast majority of most businesses, would have to manage any risks to their business associated with weather. We do not see that JGN should be treated any differently in this regard.

Further, as JGN has stated, it is JGN's Volume customer category that is highly sensitive to weather effects. Demand customers' businesses are historically immune to much of the effect of weather and therefore should not be burdened with these costs.

## 9. Access to Meter Data

Direct access to meter data by Demand customers has been a concern to many large end users for a number of years. Demand customers require metering data for a number of reasons, including internal energy management, monitoring, account auditing and now, most importantly NGERs and CPRS reporting.

JGN's proposed AA does not, where a retailer is the User contracting with JGN (as is the case in the majority of situations) readily or automatically allow the customer (or the customer's authorised representative) to gain direct access independent of the customer's retailer. There are occasions Demand customers may not wish to flag their intention to their retailer by having to seek data from JGN via the retailer.

This submission asserts that Demand customers should have a right to access their metering data directly from JGN, with JGN having an obligation to provide that data independent from and without the permission of their retailer (ie the User under the Access Arrangement).

It should not be difficult for JGN to provide such a service:

- for an agreed period;
- in a form (electronic or hard copy); and
- at daily/monthly intervals as required,

directly to Demand customers.

This submission seeks that Demand customers have entitlement to – and direct access to – daily load data and that JGN provide a Metering Data Service independent from retailers. In conjunction with the comments above in relation to metering contestability, opening up access to meter data will improve energy management processes for Demand customers in the future. These same Demand customers already have the right to choose their preferred meter provider in relation to electricity – this has been contestable for a number of years – and certain meter providers provide data streams to Demand customers on a daily or as required basis. It is appropriate to implement processes to support similar competition for metering services and data access for Demand customers in the gas market.

## 10. New Connections

There have been a number of instances during the period of the current AA where prospective customers on the JGN network have voiced concerns regarding the process for connection to the network.

JGN seems to have a policy whereby they want to deal only with retailers in relation to Request for Services for new connections to the network. This is almost a parallel thinking in terms of the above meter data issue, whereby JGN seeks to treat with retailers rather than customers given the fact that the vast majority of customers use retailers as their shipper / User on the network.

EnergyAdvice believes JGN should not be entitled to argue that it requires a retailer to be the party submitting an RFS rather than a customer. It is the customer which is the party which requires direct dialogue with the network provider – not the retailer. In most instances, JGN is requiring a customer to use a retailer as the intermediary when the customer has not even committed to a gas supply arrangement with that party, and in most cases is simply not in a position to do so until the new connection and associated project is fully committed and construction timelines confirmed.

JGN and AER's acknowledgement of the customer as the party with whom JGN should treat (if the customer so requires) is sought to be clarified for forward new connections under the proposed AA.

## 11. Capital Contributions


Under the National Gas Rules, a user may make a capital contribution towards a service provider's capital expenditure.

With the AER's approval, capital contribution may be rolled into the capital base for a pipeline but the service provider must not benefit, through increased revenue, from the user's contribution to the capital base.

However there are no complementary rules or regulations of any kind relating to the capital contribution from the customer's perspective. In many instances, despite customers having to

pay large monetary contributions to ensure a connection to the network is achieved, service providers have refused to supply any information in relation to a breakdown of costs.

We urge the AER to consider the introduction of transparency for capital contributions by users.

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**Attachments: Jemena Current and Proposed AA Tariffs Model**

| Demand Capacity Zone         | DC-1         | DC-2      | DC-3       | DC-4      | DC-5      | DC-6      | DC-7      |
|------------------------------|--------------|-----------|------------|-----------|-----------|-----------|-----------|
| Site Location (Indicative)   | Horsley Park | Penrith   | Matraville | Sydney    | Katoomba  | Gosford   | Wyong     |
| Postcode                     | 2164         | 2750      | 2036       | 2000      | 2780      | 2250      | 2259      |
| Receipt Point                | Wilton       | Wilton    | Wilton     | Wilton    | Wilton    | Wilton    | Wilton    |
| Number of Delivery Stations  | 1            | 1         | 1          | 1         | 1         | 1         | 1         |
| Additional Meters            | 0            | 0         | 0          | 0         | 0         | 0         | 0         |
| Meter Runs: Single or Double | Double       | Double    | Double     | Double    | Double    | Double    | Double    |
| Metering Equipment Charge    | \$ pa 33,796 | 33,796    | 33,796     | 33,796    | 33,796    | 33,796    | 33,796    |
| ACQ                          | GJ 1,000,000 | 1,000,000 | 1,000,000  | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| MDQ / CD                     | GJ 3,425     | 3,425     | 3,425      | 3,425     | 3,425     | 3,425     | 3,425     |
| MDQC                         |              |           |            |           |           |           |           |
| Distance to POTS/TRS         | KM           |           |            |           |           |           |           |
| MHQ                          | GJ 290       | 290       | 290        | 290       | 290       | 290       | 290       |
| First Response: Yes or No    | No           | No        | No         | No        | No        | No        | No        |
| DLF                          | % 80.0%      | 80.0%     | 80.0%      | 80.0%     | 80.0%     | 80.0%     | 80.0%     |
| MDQ/MHQ                      | 12           | 12        | 12         | 12        | 12        | 12        | 12        |

**Current AA**

| Trunk Zone                     | T3           | T3           | T3           | T3           | T3           | T5           | T5           |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Trunk Charges                  | W-T3         | W-T3         | W-T3         | W-T3         | W-T3         | W-T5         | W-T5         |
| Local Network Zone             | SL1          | SL2          | SL3          | SL4          | SL5          | NL1          | NL2          |
| <b>Proposed AA</b>             |              |              |              |              |              |              |              |
| Tariff Class                   | DC-1         | DC-2         | DC-3         | DC-4         | DC-5         | DC-6         | DC-7         |
| Meter Charge Inputs (MHQ:Runs) | <1000:Double | <1000:Double | <1000:Double | <1000:Double | <1000:Double | <1000:Double | <1000:Double |

**Current Access Arrangement Charges**

| Local Network Unit Charges | \$/GJ.MDQ.pa |         |         |         |           |        |         |
|----------------------------|--------------|---------|---------|---------|-----------|--------|---------|
| First 200                  | 169.079      | 190.790 | 267.844 | 459.291 | 2,576.885 | 72.466 | 298.673 |
| next 400                   | 101.448      | 114.473 | 160.707 | 275.575 | 1,546.131 | 43.480 | 179.204 |
| next 1000                  | 67.632       | 76.316  | 107.137 | 183.717 | 1,030.754 | 28.987 | 119.469 |
| next 2000                  | 50.724       | 57.237  | 80.353  | 137.787 | 773.066   | 21.739 | 89.602  |
| rest                       | 33.816       | 38.157  | 53.569  | 91.858  | 515.377   | 14.493 | 59.735  |

**Annual Unit Charge Calculation**

|                           |                     |        |         |         |           |         |         |
|---------------------------|---------------------|--------|---------|---------|-----------|---------|---------|
| Trunk Unit Charge         | \$/GJ.MDQ.pa 13.767 | 13.767 | 13.767  | 13.767  | 13.767    | 78.280  | 78.280  |
| Local Network Charge      | \$/GJ.MDQ.pa 68.496 | 77.291 | 108.506 | 186.063 | 1,043.921 | 29.356  | 120.995 |
| Pressure Reduction Charge | \$/GJ.MDQ.pa        |        |         |         |           |         |         |
| Annual Unit Charge        | \$/GJ.MDQ.pa 82.263 | 91.058 | 122.273 | 199.830 | 1,057.688 | 107.636 | 199.275 |

**Annual Charges**

| Annual Charges            | \$ pa         |         |         |         |           |         |         |
|---------------------------|---------------|---------|---------|---------|-----------|---------|---------|
| Trunk Unit Charge         | 47,152        | 47,152  | 47,152  | 47,152  | 47,152    | 268,109 | 268,109 |
| Local Network Charge      | 234,598       | 264,721 | 371,633 | 637,266 | 3,575,429 | 100,546 | 414,409 |
| Pressure Reduction Charge |               |         |         |         |           |         |         |
| Annual Unit Charge        | 281,750       | 311,873 | 418,785 | 684,418 | 3,622,581 | 368,655 | 682,518 |
| Metering Equipment Charge | 33,796        | 33,796  | 33,796  | 33,796  | 33,796    | 33,796  | 33,796  |
| Meter Data & Comms Charge | 1,058         | 1,058   | 1,058   | 1,058   | 1,058     | 1,058   | 1,058   |
| Meter Reading Charge      | 567           | 567     | 567     | 567     | 567       | 567     | 567     |
| Total Charge              | \$ pa 317,171 | 347,294 | 454,206 | 719,839 | 3,658,002 | 404,076 | 717,939 |
| Monthly Network Charge    | \$/mth 26,431 | 28,941  | 37,850  | 59,987  | 304,833   | 33,673  | 59,828  |
| Network Charge per GJ     | \$/GJ 0.317   | 0.347   | 0.454   | 0.720   | 3.658     | 0.404   | 0.718   |

**Proposed Access Arrangement Charges**

| Demand Capacity Unit Rates        | \$/GJ.CD.pa         |         |         |         |           |         |         |
|-----------------------------------|---------------------|---------|---------|---------|-----------|---------|---------|
| First 200                         | 262.962             | 292.121 | 395.608 | 652.730 | 3,496.755 | 133.206 | 437.012 |
| next 400                          | 170.991             | 188.487 | 250.579 | 404.853 | 2,111.268 | 93.139  | 275.422 |
| next 1000                         | 130.492             | 142.155 | 183.550 | 286.398 | 1,424.009 | 78.588  | 200.111 |
| next 2000                         | 111.740             | 120.487 | 151.533 | 228.670 | 1,081.878 | 72.813  | 163.955 |
| rest                              | 99.158              | 104.990 | 125.688 | 177.111 | 745.917   | 73.207  | 133.969 |
| Demand Capacity Rate              | \$/GJ.CD.pa 132.965 | 144.777 | 186.701 | 290.864 | 1,443.006 | 80.400  | 203.474 |
| Country Pressure Reduction F      | \$/GJ.CD.pa         |         |         |         |           |         |         |
| Country Capacity Rate             | \$/GJ.CD.pa         |         |         |         |           |         |         |
| DC First Response (if applicable) | N/A                 | N/A     | N/A     | N/A     | N/A       | N/A     | N/A     |

**Annual Charges**

| Annual Charges                  | \$ pa         |         |         |           |           |          |         |
|---------------------------------|---------------|---------|---------|-----------|-----------|----------|---------|
| Demand Capacity Charge          | 455,406       | 495,863 | 639,451 | 996,208   | 4,942,295 | 275,369  | 696,900 |
| Country Pressure Reduction Rate |               |         |         |           |           |          |         |
| Country Capacity Rate           |               |         |         |           |           |          |         |
| Metering Equipment Charge       | 33,090        | 33,090  | 33,090  | 33,090    | 33,090    | 33,090   | 33,090  |
| Meter Data & Comms Charge       | 1,573         | 1,573   | 1,573   | 1,573     | 1,573     | 1,573    | 1,573   |
| Meter Reading Charge            | 843           | 843     | 843     | 843       | 843       | 843      | 843     |
| Total Charge                    | \$ pa 490,912 | 531,369 | 674,957 | 1,031,714 | 4,977,801 | 310,875  | 732,406 |
| Monthly Network Charge          | \$/mth 40,909 | 44,281  | 56,246  | 85,976    | 414,817   | 25,906   | 61,034  |
| Total Network Charge            | \$/GJ 0.491   | 0.531   | 0.675   | 1.032     | 4.978     | 0.311    | 0.732   |
| Differential                    | \$ pa 173,741 | 184,075 | 220,751 | 311,875   | 1,319,799 | (93,201) | 14,467  |
|                                 | % 54.8%       | 53.0%   | 48.6%   | 43.3%     | 36.1%     | -23.1%   | 2.0%    |

| Demand Capacity Zone         |       | DC-6      | DC-7        | DC-8      | DC-9              | DC-10      | DC-11     |
|------------------------------|-------|-----------|-------------|-----------|-------------------|------------|-----------|
| Site Location (Indicative)   |       | Kooragang | Kurri Kurri | Cessnock  | Port Kembla - BHP | Wollongong | Bulli     |
| Postcode                     |       | 2304      | 2327        | 2325      | 2505-BHP          | 2500       | 2516      |
| Receipt Point                |       | Wilton    | Wilton      | Wilton    | Wilton            | Wilton     | Wilton    |
| Number of Delivery Stations  |       | 1         | 1           | 1         | 1                 | 1          | 1         |
| Additional Meters            |       | 0         | 0           | 0         | 0                 | 0          | 0         |
| Meter Runs: Single or Double |       | Double    | Double      | Double    | Double            | Double     | Double    |
| Metering Equipment Charge    | \$ pa | 33,796    | 33,796      | 33,796    | 33,796            | 33,796     | 33,796    |
| ACQ                          | GJ    | 1,000,000 | 1,000,000   | 1,000,000 | 1,000,000         | 1,000,000  | 1,000,000 |
| MDQ / CD                     | GJ    | 3,425     | 3,425       | 3,425     | 3,425             | 3,425      | 3,425     |
| MDQC                         |       |           |             |           |                   |            |           |
| Distance to POTS/TRS         | KM    |           |             |           |                   |            |           |
| MHQ                          | GJ    | 290       | 290         | 290       | 290               | 290        | 290       |
| First Response: Yes or No    |       | No        | No          | No        | No                | No         | No        |
| DLF                          | %     | 80.0%     | 80.0%       | 80.0%     | 80.0%             | 80.0%      | 80.0%     |
| MDQ/MHQ                      |       | 12        | 12          | 12        | 12                | 12         | 12        |

**Current AA**

| Trunk Zone                     | T6           | T6           | T6           | T7           | T7           | T7           |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Trunk Charges                  | W-T6         | W-T6         | W-T6         | W-T7         | W-T7         | W-T7         |
| Local Network Zone             | NL1          | NL2          | NL3          | WL1          | WL2          | WL3          |
| Proposed AA                    | DC-6         | DC-7         | DC-8         | DC-9         | DC-10        | DC-11        |
| Tariff Class                   |              |              |              |              |              |              |
| Meter Charge Inputs (MHQ:Runs) | <1000:Double | <1000:Double | <1000:Double | <1000:Double | <1000:Double | <1000:Double |

**Current Access Arrangement Charges**

| Local Network Unit Charges | \$/GJ.MDQ.pa |        |         |         |        |         |           |
|----------------------------|--------------|--------|---------|---------|--------|---------|-----------|
| First 200                  |              | 72.466 | 298.673 | 644.636 | 18.924 | 128.053 | 2,023.167 |
| next 400                   |              | 43.480 | 179.204 | 386.782 | 11.354 | 76.832  | 1,213.901 |
| next 1000                  |              | 28.987 | 119.469 | 257.855 | 7.570  | 51.221  | 809.267   |
| next 2000                  |              | 21.739 | 89.602  | 193.390 | 5.678  | 38.416  | 606.950   |
| rest                       |              | 14.493 | 59.735  | 128.927 | 3.785  | 25.611  | 404.634   |

**Annual Unit Charge Calculation**

|                           |              |         |         |         |        |         |         |
|---------------------------|--------------|---------|---------|---------|--------|---------|---------|
| Trunk Unit Charge         | \$/GJ.MDQ.pa | 117.161 | 117.161 | 117.161 | 67.626 | 67.626  | 67.626  |
| Local Network Charge      | \$/GJ.MDQ.pa | 29.356  | 120.995 | 261.148 | 7.667  | 51.876  | 819.604 |
| Pressure Reduction Charge | \$/GJ.MDQ.pa |         |         |         |        |         |         |
| Annual Unit Charge        | \$/GJ.MDQ.pa | 146.517 | 238.156 | 378.309 | 75.293 | 119.502 | 887.230 |

**Annual Charges**

|                           | \$ pa  |         |         |           |         |         |           |
|---------------------------|--------|---------|---------|-----------|---------|---------|-----------|
| Trunk Unit Charge         |        | 401,276 | 401,276 | 401,276   | 231,619 | 231,619 | 231,619   |
| Local Network Charge      |        | 100,546 | 414,409 | 894,432   | 26,259  | 177,674 | 2,807,145 |
| Pressure Reduction Charge |        |         |         |           |         |         |           |
| Annual Unit Charge        |        | 501,822 | 815,685 | 1,295,708 | 257,878 | 409,293 | 3,038,764 |
| Metering Equipment Charge |        | 33,796  | 33,796  | 33,796    | 33,796  | 33,796  | 33,796    |
| Meter Data & Comms Charge |        | 1,058   | 1,058   | 1,058     | 1,058   | 1,058   | 1,058     |
| Meter Reading Charge      |        | 567     | 567     | 567       | 567     | 567     | 567       |
| Total Charge              | \$ pa  | 537,243 | 851,106 | 1,331,129 | 293,299 | 444,714 | 3,074,185 |
| Monthly Network Charge    | \$/mth | 44,770  | 70,926  | 110,927   | 24,442  | 37,059  | 256,182   |
| Network Charge per GJ     | \$/GJ  | 0.537   | 0.851   | 1.331     | 0.293   | 0.445   | 3.074     |

**Proposed Access Arrangement Charges**

| Demand Capacity Unit Rates        | \$/GJ.CD.pa |         |         |         |        |         |           |
|-----------------------------------|-------------|---------|---------|---------|--------|---------|-----------|
| First 200                         |             | 133.206 | 437.012 | 901.656 | 61.297 | 207.862 | 2,753.087 |
| next 400                          |             | 93.139  | 275.422 | 554.209 | 49.992 | 137.932 | 1,665.067 |
| next 1000                         |             | 78.588  | 200.111 | 385.969 | 49.826 | 108.451 | 1,126.541 |
| next 2000                         |             | 72.813  | 163.955 | 303.348 | 51.240 | 95.210  | 858.777   |
| rest                              |             | 73.207  | 133.969 | 226.897 | 58.825 | 88.139  | 597.183   |
| Demand Capacity Rate              | \$/GJ.CD.pa | 80.400  | 203.474 | 391.706 | 51.269 | 110.644 | 1,141.738 |
| Country Pressure Reduction F      | \$/GJ.CD.pa |         |         |         |        |         |           |
| Country Capacity Rate             | \$/GJ.CD.pa |         |         |         |        |         |           |
| DC First Response (if applicable) |             | N/A     | N/A     | N/A     | N/A    | N/A     | N/A       |

**Annual Charges**

|                                 | \$ pa  |           |           |           |          |          |           |
|---------------------------------|--------|-----------|-----------|-----------|----------|----------|-----------|
| Demand Capacity Charge          |        | 275,369   | 696,900   | 1,341,594 | 175,595  | 378,954  | 3,910,453 |
| Country Pressure Reduction Rate |        |           |           |           |          |          |           |
| Country Capacity Rate           |        |           |           |           |          |          |           |
| Metering Equipment Charge       |        | 33,090    | 33,090    | 33,090    | 33,090   | 33,090   | 33,090    |
| Meter Data & Comms Charge       |        | 1,573     | 1,573     | 1,573     | 1,573    | 1,573    | 1,573     |
| Meter Reading Charge            |        | 843       | 843       | 843       | 843      | 843      | 843       |
| Total Charge                    | \$ pa  | 310,875   | 732,406   | 1,377,100 | 211,101  | 414,460  | 3,945,959 |
| Monthly Network Charge          | \$/mth | 25,906    | 61,034    | 114,758   | 17,592   | 34,538   | 328,830   |
| Total Network Charge            | \$/GJ  | 0.311     | 0.732     | 1.377     | 0.211    | 0.414    | 3.946     |
| Differential                    | \$ pa  | (226,369) | (118,700) | 45,971    | (82,198) | (30,253) | 871,775   |
|                                 | %      | -42.1%    | -13.9%    | 3.5%      | -28.0%   | -6.8%    | 28.4%     |



| Demand Capacity Zone         | DC-1         | DC-2    | DC-3       | DC-4    | DC-5     | DC-6    | DC-7    |
|------------------------------|--------------|---------|------------|---------|----------|---------|---------|
| Site Location (Indicative)   | Horsley Park | Penrith | Matraville | Sydney  | Katoomba | Gosford | Wyong   |
| Postcode                     | 2164         | 2750    | 2036       | 2000    | 2780     | 2250    | 2259    |
| Receipt Point                | Wilton       | Wilton  | Wilton     | Wilton  | Wilton   | Wilton  | Wilton  |
| Number of Delivery Stations  | 1            | 1       | 1          | 1       | 1        | 1       | 1       |
| Additional Meters            | 0            | 0       | 0          | 0       | 0        | 0       | 0       |
| Meter Runs: Single or Double | Single       | Single  | Single     | Single  | Single   | Single  | Single  |
| Metering Equipment Charge    | \$ pa 16,263 | 16,263  | 16,263     | 16,263  | 16,263   | 16,263  | 16,263  |
| ACQ                          | GJ 250,000   | 250,000 | 250,000    | 250,000 | 250,000  | 250,000 | 250,000 |
| MDQ / CD                     | GJ 979       | 979     | 979        | 979     | 979      | 979     | 979     |
| MDQC                         |              |         |            |         |          |         |         |
| Distance to POTS/TRS         | KM           |         |            |         |          |         |         |
| MHQ                          | GJ 80        | 80      | 80         | 80      | 80       | 80      | 80      |
| First Response: Yes or No    | No           | No      | No         | No      | No       | No      | No      |
| DLF                          | % 70.0%      | 70.0%   | 70.0%      | 70.0%   | 70.0%    | 70.0%   | 70.0%   |
| MDQ/MHQ                      | 12           | 12      | 12         | 12      | 12       | 12      | 12      |

**Current AA**

| Trunk Zone                     | T3          | T3          | T3          | T3          | T3          | T5          | T5          |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Trunk Charges                  | W-T3        | W-T3        | W-T3        | W-T3        | W-T3        | W-T5        | W-T5        |
| Local Network Zone             | SL1         | SL2         | SL3         | SL4         | SL5         | NL1         | NL2         |
| <b>Proposed AA</b>             |             |             |             |             |             |             |             |
| Tariff Class                   | DC-1        | DC-2        | DC-3        | DC-4        | DC-5        | DC-6        | DC-7        |
| Meter Charge Inputs (MHQ:Runs) | <100:Single | <100:Single | <100:Single | <100:Single | <100:Single | <100:Single | <100:Single |

**Current Access Arrangement Charges**

| Local Network Unit Charges | \$/GJ.MDQ.pa |         |         |         |           |        |         |
|----------------------------|--------------|---------|---------|---------|-----------|--------|---------|
| First 200                  | 169.079      | 190.790 | 267.844 | 459.291 | 2,576.885 | 72.466 | 298.673 |
| next 400                   | 101.448      | 114.473 | 160.707 | 275.575 | 1,546.131 | 43.480 | 179.204 |
| next 1000                  | 67.632       | 76.316  | 107.137 | 183.717 | 1,030.754 | 28.987 | 119.469 |
| next 2000                  | 50.724       | 57.237  | 80.353  | 137.787 | 773.066   | 21.739 | 89.602  |
| rest                       | 33.816       | 38.157  | 53.569  | 91.858  | 515.377   | 14.493 | 59.735  |

**Annual Unit Charge Calculation**

|                           |                      |         |         |         |           |         |         |
|---------------------------|----------------------|---------|---------|---------|-----------|---------|---------|
| Trunk Unit Charge         | \$/GJ.MDQ.pa 13.767  | 13.767  | 13.767  | 13.767  | 13.767    | 78.280  | 78.280  |
| Local Network Charge      | 102.173              | 115.292 | 161.855 | 277.545 | 1,557.186 | 43.791  | 180.485 |
| Pressure Reduction Charge |                      |         |         |         |           |         |         |
| Annual Unit Charge        | \$/GJ.MDQ.pa 115.940 | 129.059 | 175.622 | 291.312 | 1,570.953 | 122.071 | 258.765 |

**Annual Charges**

|                           | \$ pa         |         |         |         |           |         |         |
|---------------------------|---------------|---------|---------|---------|-----------|---------|---------|
| Trunk Unit Charge         | 13,478        | 13,478  | 13,478  | 13,478  | 13,478    | 76,636  | 76,636  |
| Local Network Charge      | 100,028       | 112,871 | 158,457 | 271,717 | 1,524,485 | 42,871  | 176,695 |
| Pressure Reduction Charge |               |         |         |         |           |         |         |
| Annual Unit Charge        | 113,505       | 126,349 | 171,934 | 285,195 | 1,537,963 | 119,507 | 253,331 |
| Metering Equipment Charge | 16,263        | 16,263  | 16,263  | 16,263  | 16,263    | 16,263  | 16,263  |
| Meter Data & Comms Charge | 1,058         | 1,058   | 1,058   | 1,058   | 1,058     | 1,058   | 1,058   |
| Meter Reading Charge      | 567           | 567     | 567     | 567     | 567       | 567     | 567     |
| Total Charge              | \$ pa 131,393 | 144,237 | 189,822 | 303,083 | 1,555,851 | 137,395 | 271,219 |

|                        |               |        |        |        |         |        |        |
|------------------------|---------------|--------|--------|--------|---------|--------|--------|
| Monthly Network Charge | \$/mth 10,949 | 12,020 | 15,819 | 25,257 | 129,654 | 11,450 | 22,602 |
| Network Charge per GJ  | \$/GJ 0.526   | 0.577  | 0.759  | 1.212  | 6.223   | 0.550  | 1.085  |

**Proposed Access Arrangement Charges**

| Demand Capacity Unit Rates        | \$/GJ.CD.pa |         |         |         |           |         |         |
|-----------------------------------|-------------|---------|---------|---------|-----------|---------|---------|
| First 200                         | 262.962     | 292.121 | 395.608 | 652.730 | 3,496.755 | 133.206 | 437.012 |
| next 400                          | 170.991     | 188.487 | 250.579 | 404.853 | 2,111.268 | 93.139  | 275.422 |
| next 1000                         | 130.492     | 142.155 | 183.550 | 286.398 | 1,424.009 | 78.588  | 200.111 |
| next 2000                         | 111.740     | 120.487 | 151.533 | 228.670 | 1,081.878 | 72.813  | 163.955 |
| rest                              | 99.158      | 104.990 | 125.688 | 177.111 | 745.917   | 73.207  | 133.969 |
| Demand Capacity Rate              | 174.101     | 191.722 | 254.258 | 409.634 | 2,128.251 | 95.691  | 279.278 |
| Country Pressure Reduction F      |             |         |         |         |           |         |         |
| Country Capacity Rate             |             |         |         |         |           |         |         |
| DC First Response (if applicable) | N/A         | N/A     | N/A     | N/A     | N/A       | N/A     | N/A     |

| Annual Charges                  | \$ pa         |         |         |         |           |         |         |
|---------------------------------|---------------|---------|---------|---------|-----------|---------|---------|
| Demand Capacity Charge          | 170,445       | 187,696 | 248,919 | 401,032 | 2,083,558 | 93,682  | 273,413 |
| Country Pressure Reduction Rate |               |         |         |         |           |         |         |
| Country Capacity Rate           |               |         |         |         |           |         |         |
| Metering Equipment Charge       | 12,249        | 12,249  | 12,249  | 12,249  | 12,249    | 12,249  | 12,249  |
| Meter Data & Comms Charge       | 1,573         | 1,573   | 1,573   | 1,573   | 1,573     | 1,573   | 1,573   |
| Meter Reading Charge            | 843           | 843     | 843     | 843     | 843       | 843     | 843     |
| Total Charge                    | \$ pa 185,110 | 202,361 | 263,584 | 415,697 | 2,098,223 | 108,347 | 288,078 |
| Monthly Network Charge          | \$/mth 15,426 | 16,863  | 21,965  | 34,641  | 174,852   | 9,029   | 24,007  |
| Total Network Charge            | \$/GJ 0.740   | 0.809   | 1.054   | 1.663   | 8.393     | 0.433   | 1.152   |

|              |              |        |        |         |         |          |        |
|--------------|--------------|--------|--------|---------|---------|----------|--------|
| Differential | \$ pa 53,717 | 58,124 | 73,761 | 112,614 | 542,372 | (29,049) | 16,859 |
| %            | 40.9%        | 40.3%  | 38.9%  | 37.2%   | 34.9%   | -21.1%   | 6.2%   |

| Demand Capacity Zone         |       | DC-6      | DC-7        | DC-8     | DC-9              | DC-10      | DC-11   |
|------------------------------|-------|-----------|-------------|----------|-------------------|------------|---------|
| Site Location (Indicative)   |       | Kooragang | Kurri Kurri | Cessnock | Port Kembla - BHP | Wollongong | Bulli   |
| Postcode                     |       | 2304      | 2327        | 2325     | 2505-BHP          | 2500       | 2516    |
| Receipt Point                |       | Wilton    | Wilton      | Wilton   | Wilton            | Wilton     | Wilton  |
| Number of Delivery Stations  |       | 1         | 1           | 1        | 1                 | 1          | 1       |
| Additional Meters            |       | 0         | 0           | 0        | 0                 | 0          | 0       |
| Meter Runs: Single or Double |       | Single    | Single      | Single   | Single            | Single     | Single  |
| Metering Equipment Charge    | \$ pa | 16,263    | 16,263      | 16,263   | 16,263            | 16,263     | 16,263  |
| ACQ                          | GJ    | 250,000   | 250,000     | 250,000  | 250,000           | 250,000    | 250,000 |
| MDQ / CD                     | GJ    | 979       | 979         | 979      | 979               | 979        | 979     |
| MDQC                         |       |           |             |          |                   |            |         |
| Distance to POTS/TRS         | KM    |           |             |          |                   |            |         |
| MHQ                          | GJ    | 80        | 80          | 80       | 80                | 80         | 80      |
| First Response: Yes or No    |       | No        | No          | No       | No                | No         | No      |
| DLF                          | %     | 70.0%     | 70.0%       | 70.0%    | 70.0%             | 70.0%      | 70.0%   |
| MDQ/MHQ                      |       | 12        | 12          | 12       | 12                | 12         | 12      |

**Current AA**

| Trunk Zone                     | T6          | T6          | T6          | T7          | T7          | T7          |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Trunk Charges                  | W-T6        | W-T6        | W-T6        | W-T7        | W-T7        | W-T7        |
| Local Network Zone             | NL1         | NL2         | NL3         | WL1         | WL2         | WL3         |
| Proposed AA                    | DC-6        | DC-7        | DC-8        | DC-9        | DC-10       | DC-11       |
| Tariff Class                   | <100:Single | <100:Single | <100:Single | <100:Single | <100:Single | <100:Single |
| Meter Charge Inputs (MHQ:Runs) |             |             |             |             |             |             |

**Current Access Arrangement Charges**

| Local Network Unit Charges | \$/GJ.MDQ.pa |        |         |         |        |         |           |
|----------------------------|--------------|--------|---------|---------|--------|---------|-----------|
| First 200                  |              | 72.466 | 298.673 | 644.636 | 18.924 | 128.053 | 2,023.167 |
| next 400                   |              | 43.480 | 179.204 | 386.782 | 11.354 | 76.832  | 1,213.901 |
| next 1000                  |              | 28.987 | 119.469 | 257.855 | 7.570  | 51.221  | 809.267   |
| next 2000                  |              | 21.739 | 89.602  | 193.390 | 5.678  | 38.416  | 606.950   |
| rest                       |              | 14.493 | 59.735  | 128.927 | 3.785  | 25.611  | 404.634   |

**Annual Unit Charge Calculation**

|                           |              |         |         |         |        |         |           |
|---------------------------|--------------|---------|---------|---------|--------|---------|-----------|
| Trunk Unit Charge         | \$/GJ.MDQ.pa | 117.161 | 117.161 | 117.161 | 67.626 | 67.626  | 67.626    |
| Local Network Charge      | \$/GJ.MDQ.pa | 43.791  | 180.485 | 389.548 | 11.436 | 77.381  | 1,222.580 |
| Pressure Reduction Charge | \$/GJ.MDQ.pa |         |         |         |        |         |           |
| Annual Unit Charge        | \$/GJ.MDQ.pa | 160.952 | 297.646 | 506.709 | 79.062 | 145.007 | 1,290.206 |

**Annual Charges**

|                           | \$/pa  |         |         |         |        |         |           |
|---------------------------|--------|---------|---------|---------|--------|---------|-----------|
| Trunk Unit Charge         |        | 114,701 | 114,701 | 114,701 | 66,206 | 66,206  | 66,206    |
| Local Network Charge      |        | 42,871  | 176,695 | 381,367 | 11,195 | 75,756  | 1,196,906 |
| Pressure Reduction Charge |        |         |         |         |        |         |           |
| Annual Unit Charge        |        | 157,572 | 291,396 | 496,068 | 77,401 | 141,962 | 1,263,112 |
| Metering Equipment Charge |        | 16,263  | 16,263  | 16,263  | 16,263 | 16,263  | 16,263    |
| Meter Data & Comms Charge |        | 1,058   | 1,058   | 1,058   | 1,058  | 1,058   | 1,058     |
| Meter Reading Charge      |        | 567     | 567     | 567     | 567    | 567     | 567       |
| Total Charge              | \$/pa  | 175,460 | 309,284 | 513,956 | 95,289 | 159,850 | 1,281,000 |
| Monthly Network Charge    | \$/mth | 14,622  | 25,774  | 42,830  | 7,941  | 13,321  | 106,750   |
| Network Charge per GJ     | \$/GJ  | 0.702   | 1.237   | 2.056   | 0.381  | 0.639   | 5.124     |

**Proposed Access Arrangement Charges**

| Demand Capacity Unit Rates        | \$/GJ.CD.pa |         |         |         |        |         |           |
|-----------------------------------|-------------|---------|---------|---------|--------|---------|-----------|
| First 200                         |             | 133.206 | 437.012 | 901.656 | 61.297 | 207.862 | 2,753.087 |
| next 400                          |             | 93.139  | 275.422 | 554.209 | 49.992 | 137.932 | 1,665.067 |
| next 1000                         |             | 78.588  | 200.111 | 385.969 | 49.826 | 108.451 | 1,126.541 |
| next 2000                         |             | 72.813  | 163.955 | 303.348 | 51.240 | 95.210  | 858.777   |
| rest                              |             | 73.207  | 133.969 | 226.897 | 58.825 | 88.139  | 597.183   |
| Demand Capacity Rate              | \$/GJ.CD.pa | 95.691  | 279.278 | 560.058 | 52.237 | 140.805 | 1,678.859 |
| Country Pressure Reduction F      | \$/GJ.CD.pa |         |         |         |        |         |           |
| Country Capacity Rate             | \$/GJ.CD.pa |         |         |         |        |         |           |
| DC First Response (if applicable) |             | N/A     | N/A     | N/A     | N/A    | N/A     | N/A       |

**Annual Charges**

|                                 | \$/pa  |          |          |         |          |         |           |
|---------------------------------|--------|----------|----------|---------|----------|---------|-----------|
| Demand Capacity Charge          |        | 93,682   | 273,413  | 548,297 | 51,140   | 137,848 | 1,643,603 |
| Country Pressure Reduction Rate |        |          |          |         |          |         |           |
| Country Capacity Rate           |        |          |          |         |          |         |           |
| Metering Equipment Charge       |        | 12,249   | 12,249   | 12,249  | 12,249   | 12,249  | 12,249    |
| Meter Data & Comms Charge       |        | 1,573    | 1,573    | 1,573   | 1,573    | 1,573   | 1,573     |
| Meter Reading Charge            |        | 843      | 843      | 843     | 843      | 843     | 843       |
| Total Charge                    | \$/pa  | 108,347  | 288,078  | 562,962 | 65,805   | 152,513 | 1,658,268 |
| Monthly Network Charge          | \$/mth | 9,029    | 24,007   | 46,914  | 5,484    | 12,709  | 138,189   |
| Total Network Charge            | \$/GJ  | 0.433    | 1.152    | 2.252   | 0.263    | 0.610   | 6.633     |
| Differential                    | \$/pa  | (67,113) | (21,205) | 49,006  | (29,484) | (7,337) | 377,268   |
|                                 | %      | -38.2%   | -6.9%    | 9.5%    | -30.9%   | -4.6%   | 29.5%     |

| Demand Capacity Zone         | DC-1         | DC-2    | DC-3       | DC-4   | DC-5     | DC-6    | DC-7   |
|------------------------------|--------------|---------|------------|--------|----------|---------|--------|
| Site Location (Indicative)   | Horsley Park | Penrith | Matraville | Sydney | Katoomba | Gosford | Wyong  |
| Postcode                     | 2164         | 2750    | 2036       | 2000   | 2780     | 2250    | 2259   |
| Receipt Point                | Wilton       | Wilton  | Wilton     | Wilton | Wilton   | Wilton  | Wilton |
| Number of Delivery Stations  | 1            | 1       | 1          | 1      | 1        | 1       | 1      |
| Additional Meters            | 0            | 0       | 0          | 0      | 0        | 0       | 0      |
| Meter Runs: Single or Double | Single       | Single  | Single     | Single | Single   | Single  | Single |
| Metering Equipment Charge    | \$ pa 5,180  | 5,180   | 5,180      | 5,180  | 5,180    | 5,180   | 5,180  |
| ACQ                          | GJ 25,000    | 25,000  | 25,000     | 25,000 | 25,000   | 25,000  | 25,000 |
| MDQ / CD                     | GJ 105       | 105     | 105        | 105    | 105      | 105     | 105    |
| MDQC                         |              |         |            |        |          |         |        |
| Distance to POTS/TRS         | KM           |         |            |        |          |         |        |
| MHQ                          | GJ 13        | 13      | 13         | 13     | 13       | 13      | 13     |
| First Response: Yes or No    | No           | No      | No         | No     | No       | No      | No     |
| DLF                          | % 65.2%      | 65.2%   | 65.2%      | 65.2%  | 65.2%    | 65.2%   | 65.2%  |
| MDQ/MHQ                      | 8            | 8       | 8          | 8      | 8        | 8       | 8      |

**Current AA**

|                                |            |            |            |            |            |            |            |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Trunk Zone                     | T3         | T3         | T3         | T3         | T3         | T5         | T5         |
| Trunk Charges                  | W-T3       | W-T3       | W-T3       | W-T3       | W-T3       | W-T5       | W-T5       |
| Local Network Zone             | SL1        | SL2        | SL3        | SL4        | SL5        | NL1        | NL2        |
| <b>Proposed AA</b>             |            |            |            |            |            |            |            |
| Tariff Class                   | DC-1       | DC-2       | DC-3       | DC-4       | DC-5       | DC-6       | DC-7       |
| Meter Charge Inputs (MHQ:Runs) | <50:Single | <50:Single | <50:Single | <50:Single | <50:Single | <50:Single | <50:Single |

**Current Access Arrangement Charges**

| Local Network Unit Charges | \$/GJ.MDQ.pa |         |         |         |           |        |         |
|----------------------------|--------------|---------|---------|---------|-----------|--------|---------|
| First 200                  | 169.079      | 190.790 | 267.844 | 459.291 | 2,576.885 | 72.466 | 298.673 |
| next 400                   | 101.448      | 114.473 | 160.707 | 275.575 | 1,546.131 | 43.480 | 179.204 |
| next 1000                  | 67.632       | 76.316  | 107.137 | 183.717 | 1,030.754 | 28.987 | 119.469 |
| next 2000                  | 50.724       | 57.237  | 80.353  | 137.787 | 773.066   | 21.739 | 89.602  |
| rest                       | 33.816       | 38.157  | 53.569  | 91.858  | 515.377   | 14.493 | 59.735  |

**Annual Unit Charge Calculation**

|                           |                      |         |         |         |           |         |         |
|---------------------------|----------------------|---------|---------|---------|-----------|---------|---------|
| Trunk Unit Charge         | \$/GJ.MDQ.pa 13.767  | 13.767  | 13.767  | 13.767  | 13.767    | 78.280  | 78.280  |
| Local Network Charge      | \$/GJ.MDQ.pa 169.079 | 190.790 | 267.844 | 459.291 | 2,576.885 | 72.466  | 298.673 |
| Pressure Reduction Charge | \$/GJ.MDQ.pa         |         |         |         |           |         |         |
| Annual Unit Charge        | \$/GJ.MDQ.pa 182.846 | 204.557 | 281.611 | 473.058 | 2,590.652 | 150.746 | 376.953 |

**Annual Charges**

| Annual Charges            | \$ pa        |        |        |        |         |        |        |
|---------------------------|--------------|--------|--------|--------|---------|--------|--------|
| Trunk Unit Charge         | 1,446        | 1,446  | 1,446  | 1,446  | 1,446   | 8,219  | 8,219  |
| Local Network Charge      | 17,753       | 20,033 | 28,124 | 48,226 | 270,573 | 7,609  | 31,361 |
| Pressure Reduction Charge |              |        |        |        |         |        |        |
| Annual Unit Charge        | 19,199       | 21,478 | 29,569 | 49,671 | 272,018 | 15,828 | 39,580 |
| Metering Equipment Charge | 5,180        | 5,180  | 5,180  | 5,180  | 5,180   | 5,180  | 5,180  |
| Meter Data & Comms Charge | 1,058        | 1,058  | 1,058  | 1,058  | 1,058   | 1,058  | 1,058  |
| Meter Reading Charge      | 567          | 567    | 567    | 567    | 567     | 567    | 567    |
| Total Charge              | \$ pa 26,004 | 28,283 | 36,374 | 56,476 | 278,823 | 22,633 | 46,385 |

|                        |              |       |       |       |        |       |       |
|------------------------|--------------|-------|-------|-------|--------|-------|-------|
| Monthly Network Charge | \$/mth 2,167 | 2,357 | 3,031 | 4,706 | 23,235 | 1,886 | 3,865 |
|------------------------|--------------|-------|-------|-------|--------|-------|-------|

|                       |             |       |       |       |        |       |       |
|-----------------------|-------------|-------|-------|-------|--------|-------|-------|
| Network Charge per GJ | \$/GJ 1.040 | 1.131 | 1.455 | 2.259 | 11.153 | 0.905 | 1.855 |
|-----------------------|-------------|-------|-------|-------|--------|-------|-------|

**Proposed Access Arrangement Charges**

| Demand Capacity Unit Rates | \$/GJ.CD.pa |         |         |         |           |         |         |
|----------------------------|-------------|---------|---------|---------|-----------|---------|---------|
| First 200                  | 262.962     | 292.121 | 395.608 | 652.730 | 3,496.755 | 133.206 | 437.012 |
| next 400                   | 170.991     | 188.487 | 250.579 | 404.853 | 2,111.268 | 93.139  | 275.422 |
| next 1000                  | 130.492     | 142.155 | 183.550 | 286.398 | 1,424.009 | 78.588  | 200.111 |
| next 2000                  | 111.740     | 120.487 | 151.533 | 228.670 | 1,081.878 | 72.813  | 163.955 |
| rest                       | 99.158      | 104.990 | 125.688 | 177.111 | 745.917   | 73.207  | 133.969 |

|                      |                     |         |         |         |           |         |         |
|----------------------|---------------------|---------|---------|---------|-----------|---------|---------|
| Demand Capacity Rate | \$/GJ.CD.pa 262.962 | 292.121 | 395.608 | 652.730 | 3,496.755 | 133.206 | 437.012 |
|----------------------|---------------------|---------|---------|---------|-----------|---------|---------|

|                              |             |  |  |  |  |  |  |
|------------------------------|-------------|--|--|--|--|--|--|
| Country Pressure Reduction F | \$/GJ.CD.pa |  |  |  |  |  |  |
|------------------------------|-------------|--|--|--|--|--|--|

|                       |             |  |  |  |  |  |  |
|-----------------------|-------------|--|--|--|--|--|--|
| Country Capacity Rate | \$/GJ.CD.pa |  |  |  |  |  |  |
|-----------------------|-------------|--|--|--|--|--|--|

|                                   |     |     |     |     |     |     |     |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|
| DC First Response (if applicable) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|

**Annual Charges**

| Annual Charges                  | \$ pa        |        |        |        |         |        |        |
|---------------------------------|--------------|--------|--------|--------|---------|--------|--------|
| Demand Capacity Charge          | 27,611       | 30,673 | 41,539 | 68,537 | 367,159 | 13,987 | 45,886 |
| Country Pressure Reduction Rate |              |        |        |        |         |        |        |
| Country Capacity Rate           |              |        |        |        |         |        |        |
| Metering Equipment Charge       | 6,302        | 6,302  | 6,302  | 6,302  | 6,302   | 6,302  | 6,302  |
| Meter Data & Comms Charge       | 1,573        | 1,573  | 1,573  | 1,573  | 1,573   | 1,573  | 1,573  |
| Meter Reading Charge            | 843          | 843    | 843    | 843    | 843     | 843    | 843    |
| Total Charge                    | \$ pa 36,329 | 39,391 | 50,257 | 77,255 | 375,877 | 22,705 | 54,604 |

|                        |              |       |       |       |        |       |       |
|------------------------|--------------|-------|-------|-------|--------|-------|-------|
| Monthly Network Charge | \$/mth 3,027 | 3,283 | 4,188 | 6,438 | 31,323 | 1,892 | 4,550 |
|------------------------|--------------|-------|-------|-------|--------|-------|-------|

|                      |             |       |       |       |        |       |       |
|----------------------|-------------|-------|-------|-------|--------|-------|-------|
| Total Network Charge | \$/GJ 1.453 | 1.576 | 2.010 | 3.090 | 15.035 | 0.908 | 2.184 |
|----------------------|-------------|-------|-------|-------|--------|-------|-------|

**Differential**

|       |        |        |        |        |        |      |       |
|-------|--------|--------|--------|--------|--------|------|-------|
| \$ pa | 10,325 | 11,107 | 13,883 | 20,779 | 97,054 | 71   | 8,219 |
| %     | 39.7%  | 39.3%  | 38.2%  | 36.8%  | 34.8%  | 0.3% | 17.7% |

| Demand Capacity Zone         |       | DC-6      | DC-7        | DC-8     | DC-9              | DC-10      | DC-11  |
|------------------------------|-------|-----------|-------------|----------|-------------------|------------|--------|
| Site Location (Indicative)   |       | Kooragang | Kurri Kurri | Cessnock | Port Kembla - BHP | Wollongong | Bulli  |
| Postcode                     |       | 2304      | 2327        | 2325     | 2505-BHP          | 2500       | 2516   |
| Receipt Point                |       | Wilton    | Wilton      | Wilton   | Wilton            | Wilton     | Wilton |
| Number of Delivery Stations  |       | 1         | 1           | 1        | 1                 | 1          | 1      |
| Additional Meters            |       | 0         | 0           | 0        | 0                 | 0          | 0      |
| Meter Runs: Single or Double |       | Single    | Single      | Single   | Single            | Single     | Single |
| Metering Equipment Charge    | \$ pa | 5,180     | 5,180       | 5,180    | 5,180             | 5,180      | 5,180  |
| ACQ                          | GJ    | 25,000    | 25,000      | 25,000   | 25,000            | 25,000     | 25,000 |
| MDQ / CD                     | GJ    | 105       | 105         | 105      | 105               | 105        | 105    |
| MDQC                         |       |           |             |          |                   |            |        |
| Distance to POTS/TRS         | KM    |           |             |          |                   |            |        |
| MHQ                          | GJ    | 13        | 13          | 13       | 13                | 13         | 13     |
| First Response: Yes or No    |       | No        | No          | No       | No                | No         | No     |
| DLF                          | %     | 65.2%     | 65.2%       | 65.2%    | 65.2%             | 65.2%      | 65.2%  |
| MDQ/MHQ                      |       | 8         | 8           | 8        | 8                 | 8          | 8      |

**Current AA**

| Trunk Zone                     | T6         | T6         | T6         | T7         | T7         | T7         |
|--------------------------------|------------|------------|------------|------------|------------|------------|
| Trunk Charges                  | W-T6       | W-T6       | W-T6       | W-T7       | W-T7       | W-T7       |
| Local Network Zone             | NL1        | NL2        | NL3        | WL1        | WL2        | WL3        |
| Proposed AA                    | DC-6       | DC-7       | DC-8       | DC-9       | DC-10      | DC-11      |
| Tariff Class                   |            |            |            |            |            |            |
| Meter Charge Inputs (MHQ:Runs) | <50:Single | <50:Single | <50:Single | <50:Single | <50:Single | <50:Single |

**Current Access Arrangement Charges**

| Local Network Unit Charges | \$/GJ.MDQ.pa |        |         |         |        |         |           |
|----------------------------|--------------|--------|---------|---------|--------|---------|-----------|
| First 200                  |              | 72.466 | 298.673 | 644.636 | 18.924 | 128.053 | 2,023.167 |
| next 400                   |              | 43.480 | 179.204 | 386.782 | 11.354 | 76.832  | 1,213.901 |
| next 1000                  |              | 28.987 | 119.469 | 257.855 | 7.570  | 51.221  | 809.267   |
| next 2000                  |              | 21.739 | 89.602  | 193.390 | 5.678  | 38.416  | 606.950   |
| rest                       |              | 14.493 | 59.735  | 128.927 | 3.785  | 25.611  | 404.634   |

**Annual Unit Charge Calculation**

|                           |              |         |         |         |        |         |           |
|---------------------------|--------------|---------|---------|---------|--------|---------|-----------|
| Trunk Unit Charge         | \$/GJ.MDQ.pa | 117.161 | 117.161 | 117.161 | 67.626 | 67.626  | 67.626    |
| Local Network Charge      | \$/GJ.MDQ.pa | 72.466  | 298.673 | 644.636 | 18.924 | 128.053 | 2,023.167 |
| Pressure Reduction Charge | \$/GJ.MDQ.pa |         |         |         |        |         |           |
| Annual Unit Charge        | \$/GJ.MDQ.pa | 189.627 | 415.834 | 761.797 | 86.550 | 195.679 | 2,090.793 |

**Annual Charges**

|                           | \$ pa |        |        |        |        |        |         |
|---------------------------|-------|--------|--------|--------|--------|--------|---------|
| Trunk Unit Charge         |       | 12,302 | 12,302 | 12,302 | 7,101  | 7,101  | 7,101   |
| Local Network Charge      |       | 7,609  | 31,361 | 67,687 | 1,987  | 13,446 | 212,433 |
| Pressure Reduction Charge |       |        |        |        |        |        |         |
| Annual Unit Charge        |       | 19,911 | 43,663 | 79,989 | 9,088  | 20,546 | 219,533 |
| Metering Equipment Charge |       | 5,180  | 5,180  | 5,180  | 5,180  | 5,180  | 5,180   |
| Meter Data & Comms Charge |       | 1,058  | 1,058  | 1,058  | 1,058  | 1,058  | 1,058   |
| Meter Reading Charge      |       | 567    | 567    | 567    | 567    | 567    | 567     |
| Total Charge              | \$ pa | 26,716 | 50,468 | 86,794 | 15,893 | 27,351 | 226,338 |

|                        |        |       |       |       |       |       |        |
|------------------------|--------|-------|-------|-------|-------|-------|--------|
| Monthly Network Charge | \$/mth | 2,226 | 4,206 | 7,233 | 1,324 | 2,279 | 18,862 |
|------------------------|--------|-------|-------|-------|-------|-------|--------|

|                       |       |       |       |       |       |       |       |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|
| Network Charge per GJ | \$/GJ | 1.069 | 2.019 | 3.472 | 0.636 | 1.094 | 9.054 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|

**Proposed Access Arrangement Charges**

| Demand Capacity Unit Rates | \$/GJ.CD.pa |         |         |         |        |         |           |
|----------------------------|-------------|---------|---------|---------|--------|---------|-----------|
| First 200                  |             | 133.206 | 437.012 | 901.656 | 61.297 | 207.862 | 2,753.087 |
| next 400                   |             | 93.139  | 275.422 | 554.209 | 49.992 | 137.932 | 1,665.067 |
| next 1000                  |             | 78.588  | 200.111 | 385.969 | 49.826 | 108.451 | 1,126.541 |
| next 2000                  |             | 72.813  | 163.955 | 303.348 | 51.240 | 95.210  | 858.777   |
| rest                       |             | 73.207  | 133.969 | 226.897 | 58.825 | 88.139  | 597.183   |

|                                   |             |         |         |         |        |         |           |
|-----------------------------------|-------------|---------|---------|---------|--------|---------|-----------|
| Demand Capacity Rate              | \$/GJ.CD.pa | 133.206 | 437.012 | 901.656 | 61.297 | 207.862 | 2,753.087 |
| Country Pressure Reduction F      | \$/GJ.CD.pa |         |         |         |        |         |           |
| Country Capacity Rate             | \$/GJ.CD.pa |         |         |         |        |         |           |
| DC First Response (if applicable) |             | N/A     | N/A     | N/A     | N/A    | N/A     | N/A       |

**Annual Charges**

|                                 | \$ pa |        |        |         |        |        |         |
|---------------------------------|-------|--------|--------|---------|--------|--------|---------|
| Demand Capacity Charge          |       | 13,987 | 45,886 | 94,674  | 6,436  | 21,826 | 289,074 |
| Country Pressure Reduction Rate |       |        |        |         |        |        |         |
| Country Capacity Rate           |       |        |        |         |        |        |         |
| Metering Equipment Charge       |       | 6,302  | 6,302  | 6,302   | 6,302  | 6,302  | 6,302   |
| Meter Data & Comms Charge       |       | 1,573  | 1,573  | 1,573   | 1,573  | 1,573  | 1,573   |
| Meter Reading Charge            |       | 843    | 843    | 843     | 843    | 843    | 843     |
| Total Charge                    | \$ pa | 22,705 | 54,604 | 103,392 | 15,154 | 30,544 | 297,792 |

|                        |        |       |       |       |       |       |        |
|------------------------|--------|-------|-------|-------|-------|-------|--------|
| Monthly Network Charge | \$/mth | 1,892 | 4,550 | 8,616 | 1,263 | 2,545 | 24,816 |
|------------------------|--------|-------|-------|-------|-------|-------|--------|

|                      |       |       |       |       |       |       |        |
|----------------------|-------|-------|-------|-------|-------|-------|--------|
| Total Network Charge | \$/GJ | 0.908 | 2.184 | 4.136 | 0.606 | 1.222 | 11.912 |
|----------------------|-------|-------|-------|-------|-------|-------|--------|

**Differential**

|  |       |         |       |        |       |       |        |
|--|-------|---------|-------|--------|-------|-------|--------|
|  | \$ pa | (4,011) | 4,137 | 16,598 | (739) | 3,192 | 71,454 |
|  | %     | -15.0%  | 8.2%  | 19.1%  | -4.6% | 11.7% | 31.6%  |

**Attachment 2-1**

**Jemena Gas Networks (NSW)  
Current and Proposed AA Tariffs (in 2009/10 \$)**

10/11/09

Customer Gas Load Assumptions

|                           |    |           |
|---------------------------|----|-----------|
| ACQ                       | GJ | 1,000,000 |
| MDQ / CD                  | GJ | 3,425     |
| MHQ                       | GJ | 290       |
| First Response: Yes or No |    | No        |

Demand Capacity Zone  
Site Location (Indicative)

| DC-1         | DC-2    | DC-3       | DC-4   | DC-5     | DC-6    | DC-7  | DC-6      | DC-7        | DC-8     | DC-9              | DC-10      | DC-11 |
|--------------|---------|------------|--------|----------|---------|-------|-----------|-------------|----------|-------------------|------------|-------|
| Horsley Park | Penrith | Matraville | Sydney | Katoomba | Gosford | Wyong | Kooragang | Kurri Kurri | Cessnock | Port Kembla - BHP | Wollongong | Bulli |

Receipt Point  
Current AA Charges \$ pa  
Proposed AA Charges \$ pa  
Differential \$ pa  
%

| Wilton  | Wilton  | Wilton  | Wilton | Wilton | Wilton   | Wilton  | Wilton    | Wilton    | Wilton    | Wilton   | Wilton   | Wilton |
|---------|---------|---------|--------|--------|----------|---------|-----------|-----------|-----------|----------|----------|--------|
| 317,171 | 347,294 | 454,206 | N/A    | N/A    | 404,076  | 717,939 | 537,243   | 851,106   | 1,331,129 | 293,299  | 444,714  | N/A    |
| 490,912 | 531,369 | 674,957 | N/A    | N/A    | 310,875  | 732,406 | 310,875   | 732,406   | 1,377,100 | 211,101  | 414,460  | N/A    |
| 173,741 | 184,075 | 220,751 | N/A    | N/A    | (93,201) | 14,467  | (226,369) | (118,700) | 45,971    | (82,198) | (30,253) | N/A    |
| 54.8%   | 53.0%   | 48.6%   | N/A    | N/A    | -23.1%   | 2.0%    | -42.1%    | -13.9%    | 3.5%      | -28.0%   | -6.8%    | N/A    |

Receipt Point  
Current AA Charges \$ pa  
Proposed AA Charges \$ pa  
Differential \$ pa  
%

| Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 290,956      | 321,079      | 427,991      | N/A          | N/A          | 377,861      | 691,724      | 511,028      | 824,891      | 1,304,914    | N/A          | N/A          | N/A          |
| 490,912      | 531,369      | 674,957      | N/A          | N/A          | 310,875      | 732,406      | 310,875      | 732,406      | 1,377,100    | N/A          | N/A          | N/A          |
| 199,956      | 210,290      | 246,966      | N/A          | N/A          | (66,986)     | 40,682       | (200,154)    | (92,485)     | 72,186       | N/A          | N/A          | N/A          |
| 68.7%        | 65.5%        | 57.7%        | N/A          | N/A          | -17.7%       | 5.9%         | -39.2%       | -11.2%       | 5.5%         | N/A          | N/A          | N/A          |

Receipt Point  
Current AA Charges \$ pa  
Proposed AA Charges \$ pa  
Differential \$ pa  
%

| Hexham    | Hexham    | Hexham    | Hexham | Hexham | Hexham   | Hexham  | Hexham  | Hexham  | Hexham    | Hexham    | Hexham    | Hexham |
|-----------|-----------|-----------|--------|--------|----------|---------|---------|---------|-----------|-----------|-----------|--------|
| 645,081   | 675,203   | 782,115   | N/A    | N/A    | 385,961  | 699,824 | 269,134 | 582,997 | 1,063,020 | 694,575   | 845,990   | N/A    |
| 490,912   | 531,369   | 674,957   | N/A    | N/A    | 310,875  | 732,406 | 310,875 | 732,406 | 1,377,100 | 211,101   | 414,460   | N/A    |
| (154,168) | (143,834) | (107,158) | N/A    | N/A    | (75,087) | 32,582  | 41,740  | 149,409 | 314,080   | (483,474) | (431,530) | N/A    |
| -23.9%    | -21.3%    | -13.7%    | N/A    | N/A    | -19.5%   | 4.7%    | 15.5%   | 25.6%   | 29.5%     | -69.6%    | -51.0%    | N/A    |

Attachment 2-2

Jemena Gas Networks (NSW)  
Current and Proposed AA Tariffs (in 2009/10 \$)

10/11/09

Customer Gas Load Assumptions

|                           |    |         |
|---------------------------|----|---------|
| ACQ                       | GJ | 250,000 |
| MDQ / CD                  | GJ | 979     |
| MHQ                       | GJ | 80      |
| First Response: Yes or No |    | No      |

Demand Capacity Zone  
Site Location (Indicative)

| DC-1         | DC-2    | DC-3       | DC-4   | DC-5     | DC-6    | DC-7  | DC-6      | DC-7        | DC-8     | DC-9              | DC-10      | DC-11 |
|--------------|---------|------------|--------|----------|---------|-------|-----------|-------------|----------|-------------------|------------|-------|
| Horsley Park | Penrith | Matraville | Sydney | Katoomba | Gosford | Wyong | Kooragang | Kurri Kurri | Cessnock | Port Kembla - BHP | Wollongong | Bulli |

Receipt Point

|                           | Wilton  | Wilton  | Wilton  | Wilton  | Wilton    | Wilton   | Wilton  | Wilton   | Wilton   | Wilton  | Wilton   | Wilton  | Wilton    |
|---------------------------|---------|---------|---------|---------|-----------|----------|---------|----------|----------|---------|----------|---------|-----------|
| Current AA Charges \$ pa  | 131,393 | 144,237 | 189,822 | 303,083 | 1,555,851 | 137,395  | 271,219 | 175,460  | 309,284  | 513,956 | 95,289   | 159,850 | 1,281,000 |
| Proposed AA Charges \$ pa | 185,110 | 202,361 | 263,584 | 415,697 | 2,098,223 | 108,347  | 288,078 | 108,347  | 288,078  | 562,962 | 65,805   | 152,513 | 1,658,268 |
| Differential \$ pa        | 53,717  | 58,124  | 73,761  | 112,614 | 542,372   | (29,049) | 16,859  | (67,113) | (21,205) | 49,006  | (29,484) | (7,337) | 377,268   |
| %                         | 40.9%   | 40.3%   | 38.9%   | 37.2%   | 34.9%     | -21.1%   | 6.2%    | -38.2%   | -6.9%    | 9.5%    | -30.9%   | -4.6%   | 29.5%     |

Receipt Point

|                           | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Current AA Charges \$ pa  | 123,900      | 136,744      | 182,329      | 295,590      | 1,548,358    | 129,902      | 263,726      | 167,967      | 301,790      | 506,462      | N/A          | N/A          | N/A          |
| Proposed AA Charges \$ pa | 185,110      | 202,361      | 263,584      | 415,697      | 2,098,223    | 108,347      | 288,078      | 108,347      | 288,078      | 562,962      | N/A          | N/A          | N/A          |
| Differential \$ pa        | 61,210       | 65,617       | 81,255       | 120,107      | 549,865      | (21,555)     | 24,352       | (59,620)     | (13,712)     | 56,500       | N/A          | N/A          | N/A          |
| %                         | 49.4%        | 48.0%        | 44.6%        | 40.6%        | 35.5%        | -16.6%       | 9.2%         | -35.5%       | -4.5%        | 11.2%        | N/A          | N/A          | N/A          |

Receipt Point

|                           | Hexham   | Hexham   | Hexham   | Hexham  | Hexham    | Hexham   | Hexham  | Hexham  | Hexham  | Hexham  | Hexham    | Hexham    | Hexham    |
|---------------------------|----------|----------|----------|---------|-----------|----------|---------|---------|---------|---------|-----------|-----------|-----------|
| Current AA Charges \$ pa  | 225,123  | 237,966  | 283,552  | 396,812 | 1,649,581 | 132,217  | 266,041 | 98,824  | 232,647 | 437,320 | 209,990   | 274,551   | 1,395,700 |
| Proposed AA Charges \$ pa | 185,110  | 202,361  | 263,584  | 415,697 | 2,098,223 | 108,347  | 288,078 | 108,347 | 288,078 | 562,962 | 65,805    | 152,513   | 1,658,268 |
| Differential \$ pa        | (40,013) | (35,606) | (19,968) | 18,885  | 448,642   | (23,871) | 22,037  | 9,523   | 55,431  | 125,643 | (144,185) | (122,038) | 262,568   |
| %                         | -17.8%   | -15.0%   | -7.0%    | 4.8%    | 27.2%     | -18.1%   | 8.3%    | 9.6%    | 23.8%   | 28.7%   | -68.7%    | -44.4%    | 18.8%     |

**Attachment 2-3**

**Jemena Gas Networks (NSW)  
Current and Proposed AA Tariffs (in 2009/10 \$)**

10/11/09

Customer Gas Load Assumptions

|                           |    |        |
|---------------------------|----|--------|
| ACQ                       | GJ | 25,000 |
| MDQ / CD                  | GJ | 105    |
| MHQ                       | GJ | 13     |
| First Response: Yes or No |    | No     |

Demand Capacity Zone  
Site Location (Indicative)

| DC-1         | DC-2    | DC-3       | DC-4   | DC-5     | DC-6    | DC-7  | DC-6      | DC-7        | DC-8     | DC-9              | DC-10      | DC-11 |
|--------------|---------|------------|--------|----------|---------|-------|-----------|-------------|----------|-------------------|------------|-------|
| Horsley Park | Penrith | Matraville | Sydney | Katoomba | Gosford | Wyong | Kooragang | Kurri Kurri | Cessnock | Port Kembla - BHP | Wollongong | Bulli |

Receipt Point  
Current AA Charges \$ pa  
Proposed AA Charges \$ pa  
Differential \$ pa  
%

| Wilton | Wilton | Wilton | Wilton | Wilton  | Wilton | Wilton | Wilton  | Wilton | Wilton  | Wilton | Wilton | Wilton  |
|--------|--------|--------|--------|---------|--------|--------|---------|--------|---------|--------|--------|---------|
| 26,004 | 28,283 | 36,374 | 56,476 | 278,823 | 22,633 | 46,385 | 26,716  | 50,468 | 86,794  | 15,893 | 27,351 | 226,338 |
| 36,329 | 39,391 | 50,257 | 77,255 | 375,877 | 22,705 | 54,604 | 22,705  | 54,604 | 103,392 | 15,154 | 30,544 | 297,792 |
| 10,325 | 11,107 | 13,883 | 20,779 | 97,054  | 71     | 8,219  | (4,011) | 4,137  | 16,598  | (739)  | 3,192  | 71,454  |
| 39.7%  | 39.3%  | 38.2%  | 36.8%  | 34.8%   | 0.3%   | 17.7%  | -15.0%  | 8.2%   | 19.1%   | -4.6%  | 11.7%  | 31.6%   |

Receipt Point  
Current AA Charges \$ pa  
Proposed AA Charges \$ pa  
Differential \$ pa  
%

| Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park | Horsley Park |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 25,200       | 27,480       | 35,570       | 55,672       | 278,020      | 21,830       | 45,581       | 25,912       | 49,664       | 85,990       | N/A          | N/A          | N/A          |
| 36,329       | 39,391       | 50,257       | 77,255       | 375,877      | 22,705       | 54,604       | 22,705       | 54,604       | 103,392      | N/A          | N/A          | N/A          |
| 11,129       | 11,911       | 14,686       | 21,582       | 97,857       | 875          | 9,023        | (3,208)      | 4,940        | 17,402       | N/A          | N/A          | N/A          |
| 44.2%        | 43.3%        | 41.3%        | 38.8%        | 35.2%        | 4.0%         | 19.8%        | -12.4%       | 9.9%         | 20.2%        | N/A          | N/A          | N/A          |

Receipt Point  
Current AA Charges \$ pa  
Proposed AA Charges \$ pa  
Differential \$ pa  
%

| Hexham | Hexham | Hexham | Hexham | Hexham  | Hexham | Hexham | Hexham | Hexham | Hexham  | Hexham   | Hexham  | Hexham  |
|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|----------|---------|---------|
| 36,057 | 38,336 | 46,427 | 66,529 | 288,876 | 22,078 | 45,830 | 18,496 | 42,248 | 78,574  | 28,195   | 39,653  | 238,640 |
| 36,329 | 39,391 | 50,257 | 77,255 | 375,877 | 22,705 | 54,604 | 22,705 | 54,604 | 103,392 | 15,154   | 30,544  | 297,792 |
| 272    | 1,055  | 3,830  | 10,726 | 87,001  | 627    | 8,775  | 4,208  | 12,356 | 24,818  | (13,040) | (9,110) | 59,152  |
| 0.8%   | 2.8%   | 8.2%   | 16.1%  | 30.1%   | 2.8%   | 19.1%  | 22.8%  | 29.2%  | 31.6%   | -46.3%   | -23.0%  | 24.8%   |