Multinet Gas Networks

Part of Australian Gas Infrastructure Group

Multinet Gas Networks

Annual Regulatory Information Notice 2020

Basis of Preparation

April 2021

Contents

Overview

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

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

- 30 April 2021 - Workbook 2 – Annual Performance Data (for regulatory year 2020).

Basis of Preparation

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

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

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

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

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

E1. Expenditure Summary

E1.1 – Capex

E1.1.1 – Reference Services

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Connections	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology: Residential New Customer Connection - CG, CGA, CGB, CVS, CWD, CWH, CWL, CWS, CWT, CZ, CZA, CZB Commercial & Industrial new customer connections - CA, CAB, CAC, CAD, CAE, CAF, CAG, CAV, CAM, CAO, CAQ, CAV, CAW, CAY, CFA, CFB, CRG, CVL, CVM, CVN, CW, CWC Assumptions: New meters are allocated to new connections.	Actual		The monthly allocation for overheads is spread across all active WBS costs for that month – pro rata based on direct cost. The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
Mains Replacement	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions:	Actual		The monthly allocation for overheads is spread across all active WBS costs for that month – pro rata based on direct cost.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Mains Replacement - DU, DUH, DUM, RG, RY, RYP			The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
Mains Augmentation	<u>Data source:</u> Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. <u>Methodology/Assumptions:</u> Augmentation - DR, DRM, DRH	Actual		The monthly allocation for overheads is spread across all active WBS costs for that month – pro rata based on direct cost. The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
Telemetry	<u>Data source:</u> Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. <u>Methodology/Assumptions:</u>	Actual		The monthly allocation for overheads is spread across all active WBS costs for that month – pro rata based on direct cost.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	SCADA - PR, PRA, PRF, PTF			The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
Meter Replacement	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology: Meter - Split - GDD, GGA, GGB, GGE, GGF, GGG, GGK, GGL, GMB, GMC Assumptions: Replacement Meter costs have been calculated using an average unit cost. New meters are allocated to new connections.	Actual		Meter replacements can be refurbished or new meters. The average cost of a replacement residential meter includes refurbishment costs and new meter purchase costs. The same methodology is applied to new and replacement Commercial and Industrial meters.
ICT	Data source: Data was sourced from actual costs invoiced by Service Providers and Contractors. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions:	Actual		The monthly allocation for overheads is spread across all active WBS costs for that month – pro rata based on direct cost.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	IT - GIH, GIS			The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs.
Capitalised network overheads	Overheads are needed to be assigned on a pro - rata basis, to ensure accuracy with capex balance presented under table E1.1.1 Capex. The monthly allocation for overheads is spread across all active WBS costs for that month – pro rata based on direct cost. The annual aggregate of overhead allocation for each MAT code is extracted from the same data file as the direct costs used to populate Table E1.1.1 Capex.	Actual		The individual cost and overhead categories follow identical aggregation rules as detailed above for Table E1.1.1 Capex.
Capitalised corporate overheads	MGN does not have captialised corporate overheads. Thus, we provide a 'Null' response in the reporting template.			
Other Capex	<u>Data source:</u> Data was sourced from actual costs invoiced by Service Providers and Contractors. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. <u>Methodology/Assumptions:</u>	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Other – ANN, LRW, CRW, GCA, GCG, GE, GEA, GMA, GPA, GVA, PAA, PB, PBA, PBC, PJB, RA, RAC, RAH, RAL, RAR, RAT, RAU, RJ, RJA, RJB, RJZ			
Capital contributions	See E1.3.1 – Reference Services.	Actual		

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

Variances

Variance Basis of Preparation Requirement
Schedule 1 – 1.5 (b)

Annual RIN Capex v PTRM

Year	Actual	Benchmark	Var ($)	Var. %
2020	81	87	-6	-6.2%

No variations outside +/- 10 per cent.

E1.1.2 – Non-reference Services

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

E1.2 – Opex

E1.2.1 – Reference Services

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Repairs and maintenance	Please refer to F4.1.3 – Distribution Business, Repairs and maintenance as the data is sourced from the same location.	Actual		
Marketing and retail incentives	MGN does not have Marketing and retail incentives. Thus, we provide a 'Null' response in the reporting template.			
Debt raising	Please refer to F4.1.3 – Distribution Business, Debt raising as the data is sourced from the same location.	Actual		
Equity raising	MGN does not have Equity raising as equity raising is via Energy Partnership (Gas) Pty Ltd (EPG). Thus, we provide a 'Null' response in the reporting template.			
Unaccounted for gas	Please refer to F4.1.3 – Distribution Business, Unaccounted for gas as the data is sourced from the same location.	Actual		
Jurisdictional charges	Please refer to F4.1.3 – Distribution Business, Jurisdictional charges as the data is sourced from the same location.	Actual		
GSL payments	Please refer to F4.1.3 – Distribution Business, GSL payments as the data is sourced from the same location.	Actual		
Other Opex	Please refer to F4.1.3 – Distribution Business, GSL payments as the data is sourced from the same location.	Actual		

Variances	Variance Basis of Preparation Requirement Schedule 1 – 1.5 (a)

Annual RIN Opex v PTRM				
Year	Actual	Benchmark	Var ($)	Var. %
2020	66	81	-16	-19.3%

2020: Lower management fees, lower professional staff payroll, lower director fees and contractor spending under AGIG structure. OMSA costs to date lower under single Comdain contract instead of Comdain and Zinfra.

E1.2.2 – Non-reference Services

MGN had no opex for non-reference services in the relevant periods. For this reason, a 'Null' response is provided in this reporting template.

E1.3 – Capcons

E1.3.1 – Reference Services

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Connections	Data source: SAP GL Account 60400 Sub-Categories: METUP, REGUP, GMETUP, GREGUP, CAPREC Methodology: Values for Retailer Revenue aggregate were extracted from SAP for 2020. Assumptions: The additional cost to connect particular customers is collected under the Connections category.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	The full amount received has been assigned to Connections.			
Mains Replacement	Data source: Invoices Paid 60008380, 60008801, 60009046 and Chelsea SOW 11 - Milestone 2 Methodology: Values for Third Party Revenue aggregate were extracted from Invoices raised Assumptions: The revenue received against Invoices raised for the mains replacement / relocation works. The full amount received has been assigned to Mains Replacement.	Actual		
Mains Augmentation	MGN received no Capital contributions in relation to Mains Augmentation Capex. Thus, we provide a 'Null' response in the reporting template.			
Telemetry	MGN received no Capital contributions in relation to Telemetry Capex. Thus, we provide a 'Null' response in the reporting template.			
Meter Replacement	MGN received no Capital contributions in relation to Meter Replacement Capex. Thus, we provide a 'Null' response in the reporting template.			
ICT	MGN received no Capital contributions in relation to ICT Capex. Thus, we provide a 'Null' response in the reporting template.			
Capitalised network overheads	MGN received no Capital contributions in relation to Capitalised network overheads Category. Thus, we provide a 'Null' response in the reporting template.			
Capitalised corporate overheads	MGN received no Capital contributions in relation to Capitalised corporate overheads Category. Thus, we provide a 'Null' response in the reporting template.			
Other Capex	MGN received no Capital contributions in relation to Other Capex Category. Thus, we provide a 'Null' response in the reporting template.			

E1.3.2 – Non-reference Services

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

E1.4 - Capitalised Overheads

E1.4.1 – Reference Services

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Connections	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology: Residential New Customer Connection - CG, CGA, CGB, CVS, CWD, CWH, CWL, CWS, CWT, CZ, CZA, CZB Commercial & Industrial new customer connections - CA, CAB, CAC, CAD, CAE, CAF, CAG, CAV, CAM, CAO, CAQ, CAV, CAW, CAY, CFA, CFB, CRG, CVL, CVM, CVN, CW, CWC Assumptions: New meters are allocated to new connections.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Mains Replacement	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: Mains Replacement - DU, DUH, DUM, RG, RY, RYP	Actual		
Mains Augmentation	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: Augmentation - DR, DRM, DRH	Actual		
Telemetry	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Methodology/Assumptions: SCADA - PR, PRA, PRF, PTF			
Meter Replacement	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology: Meter - Split - GDD, GGA, GGB, GGE, GGF, GGG, GGK, GGL, GMB, GMC Assumptions: Replacement Meter costs have been calculated from an average unit cost. New meters are allocated to new connections.	Actual		Meter replacements can be refurbished or new meters. The average cost of a replacement residential meter includes refurbishment costs and new meter purchase costs. The same methodology is applied to new and replacement Commercial and Industrial meters.
ICT	Data source: Data was sourced from actual costs invoiced by Service Providers and Contractors. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: IT - GIH, GIS	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Other Capex	Data source: Data was sourced from actual costs invoiced by Service Providers and Contractors. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: Other – ANN, LRW, CRW, GCA, GCG, GE, GEA, GMA, GPA, GVA, PAA, PB, PBA, PBC, PJB, RA, RAC, RAH, RAL, RAR, RAT, RAU, RJ, RJA, RJB, RJZ	Actual		
Capital contributions included in the above	MGN does not have captialised corporate overheads. Thus, we provide a 'Null' response in the reporting template.			

E1.4.2 – Non-reference Services

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

E11. Labour

E11.3 Labour/Non-Labour Expenditure Split

E11.3.1 – Opex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
In house labour expenditure	Inhouse labour cost sourced from SAP Payroll Related GL accounts.	Actual		
Labour expenditure outsourced to related parties	Outsourced labour provided by DBP, with costs sourced from supporting schedules.	Actual		
Labour expenditure outsourced to unrelated parties	Data Source: Cost centre report data/Cost Upload data. Methodology and Assumptions: Cost Upload Labour data from Service Provider identified from payroll related GL accounts in SAP and Contractors cost and Directors Remuneration from GL accounts in SAP.	Actual		
Non-labour expenditure	Data Source: Cost centre Report. Methodology and Assumptions: This is the difference between Total of E1.2.1 less all labour expenditure reported in this Table E11.1.3	Actual		

E11.3.2- Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
In house labour expenditure	Inhouse labour cost (Capex) sourced from SAP. These are the Capitalised portion of payroll related to Network Services and IT, identified by specific GL accounts used in SAP.	Actual		
Labour expenditure outsourced to related parties	MGN does not have labour expenditure outsourced to related parties for this year. Thus a 'Null' response is provided in the template			
Labour expenditure outsourced to unrelated parties	Data Source: Cost centre report data/Cost Upload data. Methodology and Assumptions: Cost Upload Labour data from Service Provider identified from payroll related GL accounts in SAP and Contractors cost from GL account in SAP.	Actual		
Non-labour expenditure	Methodology and Assumptions This is the difference between previously submitted RIN totals less labour expenditure outsourced to related and unrelated parties and less capital contributions.	Actual		

E21. Ancillary Reference Services (ARS)

E21.1 – Volumes

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Turn On / Reconnections	Data source: SAP General Ledger system and Excel File (Other Revenue Reporting file) maintained by Finance. Methodology and Assumptions: Divide the amount of Revenue by the Unit Rates for each category. Revenue is from SAP identified by Reference codes and Unit rates are established at start of year.	Actual		
Meter Investigations				
Disconnections				
Special meter reading				
Meter Removals				

E21.2 – Expenditure

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Turn on / Reconnections	Data Source: SAP General Ledger system, Goods Receipts Report from Cost data uploaded by Service Provider contracted by MGN under the OMSA and also relevant GL accounts from ARS cost centre from cost centre report. Methodology and Assumptions: Allocation between categories in this section were based upon a determination of costs by the relevant activity codes and applicable cost centres. MAT codes: NAA, NAB, NAC, NAD, NAE and NAN are allocated to Turn on/ reconnections.	Actual		All costs reported by the service providers were attributed to the appropriate RIN category.
Meter Investigation	Data Source: SAP General Ledger system, Goods Receipts Report from Cost data uploaded by Service Provider contracted by MGN under the OMSA and also relevant General Ledger accounts from ARS cost centre from cost centre report. Methodology and Assumptions: Allocation between categories in this section were based upon a determination of costs by the relevant activity codes and applicable cost centres. MAT codes: NAG and NAI are allocated to Meter investigation	Actual		All costs reported by the service providers were attributed to the appropriate RIN category.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Disconnections	Data Source: SAP General Ledger system, Goods Receipts Report from Cost data uploaded by Service Provider contracted by MGN under the OMSA and also relevant General Ledger accounts from ARS cost centre from cost centre report. Methodology and Assumptions: Allocation between categories in this section were based upon a determination of costs by the relevant activity codes and applicable cost centres. MAT codes: NAF and SHA are allocated to Disconnections	Actual		All costs reported by the service providers were attributed to the appropriate RIN category.
Special Meter reads	Data Source: SAP General Ledger system, Goods Receipts Report from Cost data uploaded by Service Provider contracted by MGN under the OMSA and also relevant GL accounts from ARS cost centre from cost centre report. Methodology and Assumptions: Allocation between categories in this section were based upon a determination of costs by the relevant activity codes and applicable cost centres. MAT codes: NAH and NSE are allocated to Special Meter Reads.	Actual		All costs reported by the service providers were attributed to the appropriate RIN category.
Meter Removals	Data Source: SAP General Ledger system, Goods Receipts Report from Cost data uploaded by Service Provider contracted by MGN under the OMSA and	Actual		All costs reported by the service providers were attributed to the appropriate RIN category.

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	also relevant GL accounts from ARS cost centre from cost centre report. Methodology and Assumptions: Allocation between categories in this section were based upon a determination of costs by the relevant activity codes and applicable cost centres. MAT codes: NAL, NAR, NAS and NAT are allocated to Meter removals.			

N1. Demand

N1.1 – Demand – by Customer Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Residential	Data Source: Data sourced from Revenue Accrual Model in SAP. Methodology and Assumptions: Actual billed volumes extracted from SAP billing via BI/Accrual Model and data input to Haulage Revenue Report for business reporting.	Actual		
Commercial	Data Source: Data sourced from Revenue Accrual Model in SAP. Methodology and Assumptions: Actual billed volumes extracted from SAP billing via BI/Accrual Model and data input to Haulage Revenue Report for business reporting.	Actual		
Industrial	Data Source: Data sourced from Revenue Accrual Model in SAP. Methodology and Assumptions: Actual billed volumes extracted from SAP billing via BI/Accrual Model and data input to Haulage Revenue Report for business reporting.	Actual		

N1.2 – Demand – by Tariff

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Tariff V Residential Metropolitan, Yarra Valley and South Gippsland	Data Source: Data sourced from SAP/BI/Accrual Model. Methodology and Assumptions: Actual billed volumes extracted from SAP billing via BI/Accrual Model and data input to Haulage Report.	Actual		
Tariff V Non Residential Metropolitan, Yarra Valley and South Gippsland	Data Source: Data sourced from SAP/BI/Accrual Model. Methodology and Assumptions: Actual billed volumes extracted from SAP billing via BI/Accrual Model and data input to Haulage Report.	Actual		
Tariff L Non Residential Metropolitan	Data Source: Data sourced from SAP/BI/Accrual Model. Methodology and Assumptions: Actual billed volumes extracted from SAP billing via BI/Accrual Model and data input to Haulage Report.	Actual		
Tariff D Metropolitan and South Gippsland	Data Source: Data sourced from SAP/BI/Accrual Model. Methodology and Assumptions:	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Actual billed volumes extracted from SAP billing via BI/Accrual Model and data input to Haulage Report.			

Variances	Variance Basis of Preparation Requirement Schedule 1 – 1.5 (a)

Annual RIN Demand v PTRM

Year	Actual	Benchmark	Var ($)	Var. %
2020	45,777	41,548	4,229	10.2%

2020: Higher than expected residential demand due to COVID-19 working from home arrangements, higher than expected commercial volumes driven by higher than expected connections growth

N2. Network Characteristics

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

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Low Pressure / Medium Pressure / High Pressure	Historic data is compiled based on historic reports generated from MGN's current SAP ERP system. It includes all pipes that are registered under MGN's Gas Distribution Licence. All Existing and In-Service Pipes only at time of extract. Abandoned pipe or casing is not included. It is assumed all protected steel mains are coated steel (*protected*). All other steel mains are considered *unprotected*. High Pressure 2 mains are grouped under High Pressure Protected Steel mains.	Actual		Note that snapshots are a capture of what is recorded in the SAP system at a point in time – which means if a piece of main is installed in the field on 20 December, but the SAP record updated on 5 Jan, the update will only show within the next snapshot.
Transmission	Historic data is compiled based on historic reports from MGN's SAP system. All Existing and In-Service Pipes only at time of extract. Abandoned pipe or casing is not included. It includes all pipes that are registered under MGN's Gas Distribution Licence.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Transmission data refers to the MGN Metro Transmission Pipeline, and South Gippsland Pipelines. All transmission pipelines are coated steel.			

N2.2 – City Gates/Regulators

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
City Gate	Data sourced from the current SAP ERP System. City Gates are regulating stations which perform the function of pressure reduction of primary network feed from the upstream TP network. Data sourced from the SAP System and calculated using the formula: # of regulators currently in service + # regulators decommissioned in specific year	Actual		Please note this RIN we have used the definition of 'City Gate' from Appendix F – Definitions, while the Reset RIN submission for MGN used a different definition for "City Gate'.
Field Regulator	Data sourced from the current SAP ERP System. Field Regulators perform the function of controlling the delivery of gas into the HP, HP2, or MP distribution networks within the allowable operating pressure of the downstream network. Data sourced from the SAP System and calculated using the formula:	Actual		Please note this RIN we have used the definition of 'Field Regulator' from Appendix F – Definitions, while the Reset RIN submission for MGN used a

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	# of regulators currently in service + # regulators decommissioned in specific year			different definition for "Field Regulator'.
District Regulator	Data sourced from the current SAP ERP System. District Regulators perform the function of controlling the delivery of gas into the LP distribution networks within the allowable operating pressure of the downstream network. Data sourced from the SAP System and calculated using the formula: # of regulators currently in service + # regulators decommissioned in specific year	Actual		Please note this RIN we have used the definition of 'Field Regulator' from Appendix F – Definitions, while the Reset RIN submission for MGN used a different definition for "District Regulator'.

S1. Customer Numbers

S1.1 – Customer Numbers – by Customer Type

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
A. Residential	For the purpose of Tab S1.1 Customer numbers Assumptions: Connections plus Reconnections = Connections. Disconnections plus Abolishment's = Disconnections			
Customer number as at 1 January	Data source: Data from monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Customer number as at 31 December	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Total customer connections	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Total customer disconnections	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
B. Commercial	For the purpose of Tab S1.1 Customer numbers Assumptions: Connections plus Reconnections = Connections. Disconnections plus Abolishment's = Disconnections			
Customer number as at 1 January	Data source: Data from monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Customer number as at 31 December	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Total customer connections	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Total customer disconnections	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
C. Industrial	For the purpose of Tab S1.1 Customer numbers Assumptions: Connections plus Reconnections = Connections. Disconnections plus Abolishment's = Disconnections			
Customer number as at 1 January	Data source: Data from monthly report data extracted from SAP.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Methodology and Assumptions: Transcribed the data into this cell.			
Customer number as at 31 December	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Total customer connections	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		
Total customer disconnections	Data source: From monthly report data extracted from SAP. Methodology and Assumptions: Transcribed the data into this cell.	Actual		

S1.2 - Customer Numbers – by Tariff

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Tariff V Residential Metropolitan, Yarra Valley and South Gippsland	Data source: From Monthly customer report where data by Tariffs extracted from SAP. Methodology and Assumptions: Transcribed the breakdown data by Tariffs into this cell.	Actual		
Tariff V Non Residential Metropolitan, Yarra Valley and South Gippsland	Data source: From Monthly customer report where data by Tariffs extracted from SAP. Methodology and Assumptions: Transcribed the breakdown data by Tariffs into this cell.	Actual		
Tariff L Non Residential Metropolitan	Data source: From Monthly customer report where data by Tariffs extracted from SAP. Methodology and Assumptions: Transcribed the breakdown data by Tariffs into this cell.	Actual		
Tariff D Non Residential Metropolitan and South Gippsland	Data source From Monthly customer report where data by Tariffs extracted from SAP. Methodology and Assumptions:	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Transcribed the breakdown data by Tariffs into this cell.			

S1.2.3 – Total customer connections

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Tariff V Residential Metropolitan, Yarra Valley and South Gippsland	Data source: From Monthly customer report where data by Tariffs extracted from SAP. Methodology: Aggregate the 12 months data for each year and copied in these cells	Actual		Note that for the purpose of this Connections=Reconnections+Connections and Disconnections=disconnections+abolishments.
Tariff V Non Residential Metropolitan, Yarra Valley and South Gippsland				
Tariff L Non Residential Metropolitan				
Tariff D Non Residential Metropolitan and South Gippsland				

S1.2.4 – Total customer disconnections

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Tariff V Residential Metropolitan, Yarra Valley and South Gippsland	Data source: From Monthly customer report where data by Tariffs extracted from SAP. Methodology: Aggregate the 12 months data for each year and copied in these cells.	Actual		Note that for the purpose of this Connections=Reconnections+Connections and Disconnections=disconnections+abolishments.
Tariff V Non Residential Metropolitan, Yarra Valley and South Gippsland				
Tariff L Non Residential Metropolitan				
Tariff D Non Residential Metropolitan and South Gippsland				

S10. Network Quality

Data is sourced from MGN's current SAP ISU system which went live in 2012.

S10.1 – Pressure Faults

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Poor Pressure events – mains/ services	MGN is unable to populate this field as we do not measure poor pressure events on mains and services and have no basis to make an estimate. Thus, we provide a 'Null' response for these variables in the template.			
Poor Pressure events – meters	All poor pressure events are considered at the meter. MGN is unable to differentiate poor pressure events on the whole of the network via meters alone. Poor pressure events for this measure includes anything from network faults to meter repairs and is not indicative of normal pressure operation of the network. Data is sourced from the current SAP ISU database. In order to capture Poor Pressure events, all Trouble Orders were captured where Job Code is SBS (Bad Supply) and SPN (Practically No Gas)	Actual		
Pressure events impacting 5+ customers	MGN is unable to populate this field as we do not measure poor pressure events impacting 5+ customers and have no basis to make an estimate. Thus a 'Null' response is provided in the template.			
Pressure events with > 12 hours restoration	MGN is unable to populate this field as we do not measure poor pressure events with > 12 hours restoration and have no basis to make an estimate. Thus a 'Null' response is provided in the template.			

S11. Network Reliability

S11.1 – Network Outages

S11.1.1 – Planned

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Count of outage events	A planned supply interruption is defined as a supply interruption during which an end user's supply is upgraded to high pressure as a result of mains renewal program activities. Therefore, data is sourced from records of mains renewal program generated low to high pressure supply upgrades. Each record identifies an address where the service, regulator, or both has: (i) been upgraded to high pressure; and (ii) as a result of mains renewal activity.	Actual		
Outages affecting 5+ customers	A single service impacted by Mains Renewal work is considered a single event. As such, there are no 5+ customer outages captured. Thus a 'Null' response is provided in the template.			
Outages with > 12 hours supply interruption	Each planned outage is assumed 6 hours in duration. As such, there are no outages > 12 hours supply interruption. Thus a 'Null' response is provided in the template.			

S11.1.2 – Unplanned

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Count of outage events	Data is comprised of a combination of: • single service customer raised Trouble Orders sourced from the SAP database, and • incidents affecting 5 or more customers manually tracked from Comdain's monthly and manual report. Data sourced from a current SAP ISU system. In order to capture Unplanned Outage events, all Trouble Orders were captured where: • Job Code is SNG (Supply No Gas)	Actual		
Outages affecting 5+ customers	Data is comprised of incidents affecting 5 or more customers manually tracked from Service Provider Monthly Operations Reports.	Actual		Data re Outages affecting 5 or more customers are provided as a regular report by the network Service Provider(s) – these form part of the normal monthly reporting and are also uploaded to MGN's SAP such that supply data accuracy is maintained with these manual data incorporated with

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
				electronically created work orders
Outages with > 12 hours supply interruption	Specified performance reporting identifies consumers who have experienced supply interruptions in excess of 12 hours' duration	Actual		

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

Data is sourced from MGN's current SAP ERP and ISU system.

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Number per KM	Data is sourced from current SAP database and information filled in Section N2. Data is limited to Mains leaks as these maps directly to the Material Types provided in the template. In order to capture Leaks, all Notifications were captured where: • Notification type is LR (Leak Survey Repair), ED (Escape/Damage) • ED Notifications were further broken down and only DAMAGE and ESCMAINS codes were selected.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	• Filtered (Curated) notifications were then broken down by cause codes that map directly to the cause of leaks provided in the template. All notifications that were assigned to a mains equipment number were then grouped according to pressure and asset type. Mains lengths will be based on values provided in N2. Network characteristics. MGN does not differentiate between Broken Pipe – Cracked and Broken Pipe – Full Break. Hence any instances of this happening are classified as Broken Pipe – Full Break.			

S11.3 – Unaccounted for Gas – Transmission and Distribution

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Total	Data source: As injections data from Australian Energy Market Operator (AEMO) and MGN consumption data not finalised the business has used the 2018 data being best estimate at this point in time. Methodology and Assumptions: Copied the calculated UAFG amount into this cell.	Estimate	2020 finalised data still pending from AEMO.	

S14. Network Integrity

S14.1 – Loss of Containment

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Number of leaks – publicly reported (Mains, Services and Meters)	Data is sourced from the current SAP ERP database. In order to capture Leaks, all Trouble Orders were captured where: • Job Code is an Gas Escape code only (EBD, EBS, EMT, EOT, EST) Additional analysis is done to group the Trouble Orders to the relevant Mains, Services and Meters by STL code.	Actual		Job codes are industry defined publicly reported gas escapes. Standard Task List (STL) codes are used to complete fault orders and there are specific codes that relate Mains, Services, and Meter Leak Repairs.
2020				
Number of leaks – found through survey (Mains, Services and Meters)	Data is sourced from the current SAP ERP database. In order to capture leaks found through survey, all Notifications were captured where: • Notification type is LR (Leak Survey Repair) All notifications that were assigned to an equipment number were then grouped according to mains or services. These types of notifications only exist for mains or services and not meters.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	MGN leakage surveys do not extend up to the meter. Thus, there are no leaks found through surveys on meters. Thus, we provide a 'Null' response in the reporting template.			
2020				
Repaired leaks (Mains, Services and Meters)	Total repaired leaks = repaired public reported leaks + repaired leaks found through survey. All public reported leaks and survey leaks are repaired.	Actual		
2020				
Length of network subject to survey (km)	Data sourced from SAP system. Leak Survey Work Orders are measured in kms. Mains lengths can only be calculated as services and meters are not included in consideration.	Actual		
2020				
Number of meters/services surveyed	MGN leakage surveys do not extend up to the meter. Thus, we provide a 'Null' response in the reporting template. Services numbers are not included in the surveys. Thus, we provide a 'Null' response in the reporting template.			

S14.2 – Instances of Damage

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Mains Services	Data is sourced from the current SAP ISU database. In order to capture Instances of Damage, all Trouble Orders were captured where: • The cause of the trouble order is an STL code that specifically relate to mains or services 3rd party damage.	Actual		Standard Task List (STL) codes are used to complete fault orders and there are specific codes that relate to 'Damage' - relevant reporting sorts these orders by the relevant codes
2020				
Meters	Data is sourced from the current SAP ISU database. In order to capture Instances of Damage, all Trouble Orders were captured where the internal STL code indicates meter damage. This code represents meters that have been damaged whether by natural operation or by third parties. MGN have no basis to differentiate the two.	Actual		

F1. Income

F1.1 – Audited Statutory Accounts

F1.1.1 – Revenue

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Distribution revenue	Data Source: Data was sourced from SAP General Ledger system and audited statutory accounts Methodology and Assumptions: Amount was transcribed into this cell.	Actual		
Capital contribution	Data Source: Data was sourced from SAP General Ledger system and audited statutory accounts Methodology and Assumptions: Amount was transcribed into this cell.	Actual		
Profit from sales of fixed assets	None reported thus, we provide a 'Null' response in the reporting template.			
Other revenue	Data Source: Data was sourced from SAP General Ledger system and audited statutory accounts Methodology and Assumption: Amount was transcribed into this cell.	Actual		

F1.1.2 – Expenditure

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Operating expenditure	Data source: Total amount from Table F4.1.1 transcribed to this cell, less jurisdictional charges reported separately in this section.	Actual		
Depreciation	Data Source: Data was sourced from SAP General Ledger system and audited statutory accounts Methodology and Assumptions: Amount was transcribed into this cell.	Actual		
Net finance expenses	Data Source: Data was sourced from SAP General Ledger system and audited statutory accounts Methodology and Assumptions: Amount was transcribed into this cell.	Actual		
Loss from sales of fixed assets	Data Source: Data was sourced from SAP General Ledger system and audited statutory accounts Methodology and Assumptions: Amount was transcribed into this cell.	Actual		
Impairment losses	None reported thus, we provide a 'Null' response in the reporting template.			
Other expenses	None reported as it's included in the Operating Expenditure. Thus, we provide a 'Null' response in the reporting template.			

F1.1.3 – Profit

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Income tax expenses / benefits	Data Source: Data was sourced from SAP General Ledger system and audited statutory accounts Methodology and Assumptions: Amount was transcribed into this cell.	Actual		

F1.2 – Adjustments

F1.2.1 – Revenue

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Distribution Revenue	Data Source: Data extracted from SAP billing via Accrual Model Methodology and Assumptions: Adjustment made to Statutory Accounts revenue amount to agree to data from SAP Billing via Accrual Model.	Actual		
Capital contribution	Data Source: Data was sourced from SAP General Ledger system Methodology and Assumptions:	Actual		Amount excluded for Regulatory reporting

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Amounts transcribed into this cell.			
Profit from sales of fixed assets	MGN does not have adjustments for profit from sales of fixed assets, thus a 'Null' response is provided in the template.			
Other revenue	Data Source: SAP General Ledger system and Statutory accounts. Methodology and Adjustments: Amounts transcribed into this cell.	Actual		Amount adjusted to report the Regulatory portion of Other Revenue

F1.2.2 – Expenditure

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020	Refer to Appendix A for Reconciliation of adjustments between Statutory Accounts and amounts reported in the RIN Templates.			
Operating expenditure	Data source: Total amount from Table F4.1.2 copied to this cell. Refer to Appendix A: Reconciliations for Adjustments between Audited Statutory Accounts and amounts reported for the MGN Distribution Business.	Actual		
Depreciation	Data Source: Depreciation amount to agree to that reported in Table F.10 Methodology and Assumptions:	Estimate	The regulatory depreciation amount reported in this table has been sourced from F10 table. Considered as Estimate as the	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Adjustment is difference between Statutory Accounts amount and that reported in F.10 Refer to Appendix A: Reconciliations for Adjustments between Audited Statutory Accounts and amounts reported for the MGN Distribution Business.		information in F10 reported has been classified as an estimate.	
Net finance expenses	Data source: SAP General Ledger system and audited statutory accounts Methodology and Assumptions: Amount was transcribed into this cell. Debt raising costs to be reported under Operating expenditure as these were included in Net Finance costs in Statutory Accounts. Refer to Appendix A: Reconciliations for Adjustments between Audited Statutory Accounts and amounts reported for the MGN Distribution Business.	Actual		Refer to the Regulatory Accounting Principles and Policies document provided in relation to change in approach to RIN reporting.
Loss from sale of fixed assets	No adjustments, thus a 'Null' response is provided in the template.			
Impairment losses	No adjustments, thus a 'Null' response is provided in the template.			
Other expenses	No adjustments, thus a 'Null' response is provided in the template.			

F1.2.3 – Profit

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Income tax expenses / benefits	Methodology and Assumptions: Amount adjusted so that tax portion is 30% of profit before tax.	Actual		

F1.3 – Distribution Business

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

F2. Capex

F2.4 – Capex by Asset Class

F2.4.2 – Actual – As Incurred

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Cathodic Protection	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: Cathodic Protection – PAA, PBA, PBC	Actual		
Transmission and Distribution	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions:	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Transmission and Distribution Pipeline – ANN, CFA, CFB, CGA, CGB. CRG, CRM, CZA, CZB, DRH, DUH, DUM, PJB, RGA, RYM, RYP			
Meters	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: Meters - GDD, GGA, GGB, GGE, GGF, GGG, GGK, GGL, GMB, GMC	Actual		
IT system	Data source: Data was sourced from actual costs invoiced by Service Providers and Contractors. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: IT System - GIH, GIS	Actual		
Other - Non IT	Data source: Data was sourced from actual costs invoiced by Service Providers and Contractors. Capex Overheads were assigned on a pro-rata basis.	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Individual MAT codes for each cost category are listed below. Methodology/Assumptions: Other – Non IT - GEA, GMA, GVA, CRW, LRW, MAN			
Land	MGN does not have capex incurred under the Land category. Thus a 'Null' response is provided in the reporting template.			
SCADA	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: SCADA - PRA, PRF, PTF	Actual		
Services	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions:	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Services - CAB, CAC, CAD, CAE, CAF, CAG, CAV, CAM, CAO, CAQ, CAV, CAW, CAY, CVL, CVM, CVN, CVS, CWC, CWD, CWE, CWH, CWL, CWS, CWT, RAC, RAH, RAL, RAR, RAT, RAU			
Supply Reg/Valve Stations	Data source: Data was sourced from cost data uploads from the Service Providers under the existing OMSA and Contract Payments to Contractors delivering projects awarded under competitive tender. Capex Overheads were assigned on a pro-rata basis. Individual MAT codes for each cost category are listed below. Methodology/Assumptions: Supply Regulators/Valve Stations – RJA, RJB, RJZ	Actual		
Buildings	MGN does not have capex incurred under the Building category. Thus a 'Null' response is provided in the template.			

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

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Cathodic Protection	Data source: Data sourced from SAP General Ledger Accounts. Methodology:	Estimate	Pro rata allocation based on Asset Class costs incurred	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2			
Transmission and Distribution	Data source: Data sourced from SAP General Ledger Accounts. Methodology: Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2	Estimate	Pro rata allocation based on Asset Class costs incurred	
Meters	Data source: Data sourced from SAP General Ledger Accounts. Methodology: Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2	Estimate	Pro rata allocation based on Asset Class costs incurred	
IT system	Data source: Data sourced from SAP General Ledger Accounts. Methodology: Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2	Estimate	Pro rata allocation based on Asset Class costs incurred	
Other - Non IT	Data source: Data sourced from SAP General Ledger Accounts. Methodology: Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2	Estimate	Pro rata allocation based on Asset Class costs incurred	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Land	MGN does not have Movement in Provisions allocated to Land. Thus a 'Null' response is provided in the template.			
SCADA	Data source: Data sourced from SAP General Ledger Accounts. Methodology: Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2	Estimate	Pro rata allocation based on Asset Class costs incurred	
Services	Data source: Data soured from SAP General Ledger Accounts. Methodology: Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2	Estimate	Pro rata allocation based on Asset Class costs incurred	
Supply Reg/Valve Stations	Data source: Data sourced from SAP General Ledger Accounts. Methodology: Aggregate value relating to Capex is assigned pro rata to each asset class. The pro rata bases are the values of the asset classes in Table 2.4.2.	Estimate	Pro rata allocation based on Asset Class costs incurred	
Buildings	MGN does not have Movement in Provisions allocated to Buildings. Thus a 'Null' response is provided in the template.			

F2.5 - Capital Contributions by Asset Class

F2.5.1 – Actual – As Incurred

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Cathodic Protection	MGN does not have Capital contributions under Cathodic Protection Category. Thus a 'Null' response is provided in the template.			
Transmission and Distribution	Data source: Invoices Paid 60008380, 60008801, 60009046 and Chelsea SOW 11 - Milestone 2 Methodology: Values for Third Party Revenue aggregate were extracted from Invoices raised Assumptions: The revenue received against Invoices raised for the mains replacement / relocation works. The full amount received has been assigned to Transmission and Distribution.	Actual		
Meters	MGN does not have Capital contributions under Meters Category. Thus a 'Null' response is provided in the template.			
IT system	MGN does not have Capital contributions under IT system Category. Thus a 'Null' response is provided in the template.			
Other - Non IT	MGN does not have Capital contributions under Other – Non IT Category. Thus a 'Null' response is provided in the template.			
Land	MGN does not have Capital contributions under Land Category. Thus a 'Null' response is provided in the template.			
SCADA	MGN doesn't have Capital contributions under SCADA Category. Thus a 'Null' response is provided in the template.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Services	Data source: SAP GL Account 60400 Sub-Categories : METUP, REGUP, GMETUP, GREGUP, CAPREC Methodology: Values for Retailer Revenue aggregate were extracted from SAP. Assumptions: The additional cost to connect particular customers is predominantly related to services installation. The full amount received has been assigned to Services.	Actual		Contributions received for customer connections is fully attributed to Services.
Supply Reg/Valve Stations	MGN does not have Capital contributions under Supply Reg/Valve Station Category. Thus a 'Null' response is provided in the template.			
Buildings	MGN does not have Capital contributions under Building Category. Thus a 'Null' response is provided in the template.			

F2.6 – Disposals by Asset Class

F2.6.2 – Actual

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Cathodic Protection	MGN does not have disposals under the Cathodic Protection Category. Thus a 'Null' response is provided in the template.			
Transmission and Distribution	MGN does not have disposals under the Transmission and Distribution Category. Thus a 'Null' response is provided in the template.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Meters	MGN does not have disposals under the Meters Category. Thus a 'Null' response is provided in the template. Actual			
IT system	MGN does not have disposals under the IT system Category. Thus a 'Null' response is provided in the template.			
Other - Non IT	MGN does not have disposals under the Other-Non IT Category. Thus a 'Null' response is provided in the template.			
Land	MGN does not have disposals under the Land Category. Thus a 'Null' response is provided in the template.			
SCADA	MGN does not have disposals under the SCADA Category. Thus a 'Null' response is provided in the template.			
Services	MGN does not have disposals under the Services Category. Thus a 'Null' response is provided in the template.			
Supply Reg/Valve Stations	MGN does not have disposals under the Supply Reg/Valve Station Category. Thus a 'Null' response is provided in the template.			
Buildings	MGN does not have disposals under the Building Category. Thus a 'Null' response is provided in the template.			

F2.7 – Immediate Expensing Capex

F2.7.1 - Actual – As Incurred

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
	MGN has not incurred any Immediate Expensing Capex. Thus a 'Null' response has been provided in the template.			

F3. Revenue

F3.1 – Reference Services

F3.1.1 – Revenue – by Tariff

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Tariff V Residential Metropolitan, Yarra Valley and South Gippsland	Data Source: Data from Monthly customer data report where data extracted from SAP. Methodology and Assumptions: Data transcribed to this cell by Tariffs	Actual		
Tariff V Non Residential Metropolitan, Yarra Valley and South Gippsland	Data Source: Data from Monthly customer data report where data extracted from SAP. Methodology and Assumptions: Data transcribed to this cell by Tariffs	Actual		
Tariff L Non Residential Metropolitan	Data Source: Data from Monthly customer data report where data extracted from SAP. Methodology and Assumptions: Data transcribed to this cell by Tariffs	Actual		
Tariff D Non Residential Metropolitan and South Gippsland	Data Source: Data from Monthly customer data report where data extracted from SAP. Methodology and Assumptions: Data transcribed to this cell by Tariffs	Actual		

F3.2 – Ancillary Reference Services

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Turn on / Reconnections	Data Source: Data sourced from SAP General Ledger System. Methodology and Assumptions: GL totals for the relevant Ancillary Reference Service accounts were extracted from SAP and grouped by 'Product Code'. Product codes relevant to Ancillary Reference Services were disclosed in these cells.	Actual		
Meter Investigation				
Disconnections				
Special Meter reads				
Meter Removals				

F3.3 – Rebateable Services

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	MGN has not incurred any Rebateable Services, thus a 'Null' response is provided in the template.			

F3.4 – Non-Reference Services

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Excess Services and Recoverable Works	Data Source: From SAP General Ledger System. Methodology and Assumptions:	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	GL totals for the relevant Non-Reference Services (Excess Services and Recoverable Works) amounts were extracted from SAP and grouped by 'Product Code'. The Product Codes relevant to these were disclosed in these cells. These Codes are listed below: Product Codes for Excess Services: EXCLSEROMRA, EXCLSEROMRB, EXCLSEROMRC, EXCLSEROMRD, SERVSS, SERVSL, GSERVS, GSERVL Product Codes for Recoverable Works: TRANS			

F3.5 – Total Revenue

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

F3.6 – Rewards and Penalties from Incentive Schemes

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Efficiency Benefit Sharing Scheme	The rewards and penalties from the Efficiency Benefit Sharing Scheme (EBSS) for this period is as per the AER's Final Decision for the 2018 to 2022 AA period, contained in the Post Tax Revenue Model (PTRM).	Actual		

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	As Table F3.6 requires the rewards and penalties in nominal dollars, the conversion has been completed using the AER's inflation assumptions contained in the Final Decision PTRM for each relevant year.			

F4. Opex

F4.1 – Opex - by Purpose

F4.1.1 – Audited Statutory Accounts

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Repairs and maintenance	SAP General Ledger system/Cost Centre/ Goods Receipt Report for Cost Upload and reporting tool "Board" mapping to Maintenance expenditure. "Board" is a data reporting software where various management reports are produced with data uploaded from SAP. Methodology and Assumptions. Cost Centre Report/Goods Receipts Report and mapping of MAT codes for HRS and ARS to Maintenance expenditure. Board reporting tool utilised for the reporting of Maintenance Expenditure. Amounts allocated to Maintenance Expenditure (Haulage and Ancillary) have been derived from mapping based on applicable MAT codes. Total of this amount transcribed into this cell.	Actual		For OMSA costs, financial amounts from regulatory reports provided by the Service Providers were allocated to the appropriate RIN category using the professional judgement of the business.
Marketing and retail incentives	MGN does not have Marketing and retail incentives. Thus, we provide a 'Null' response in the reporting template.			
Debt raising	Data Source: SAP General Ledger system and Statutory Accounts.	Actual		
Equity raising	No data for this as equity raising is via EPG a related entity. Thus a 'Null' response is provided in the template.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Unaccounted for gas	Data Source: SAP General Ledger system and Statutory Accounts Methodology and Assumptions: Amount was transcribed into this cell	Actual		
Jurisdictional charges	Data Source: SAP General Ledger system and Statutory Accounts Methodology and Assumptions: Amount (Licence Fees) was transcribed into this cell	Actual		
GSL payments	Data Source: SAP General Ledger system and Statutory Accounts Methodology and Assumptions: Amount (GSL payments) was transcribed into this cell	Actual		
Other Opex	Data Source: SAP General Ledger system and Statutory Accounts Methodology and Assumptions: GL totals for Opex GL accounts were extracted from SAP. These were then grouped by cost centres. Cost centre totals were then allocated across regulatory categories using the professional judgement of MGND	Actual		

F4.1.2 – Adjustments

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020	MGN has revised its approach for completing the RIN template in relation to Net Finance costs and Debt Raising costs and hence they have now been reported for each of the years covered by the RIN template. The amount of Net Finance Expenses reported in each year represents the statutory Net Finance Expenses, with an adjustment to separately report Debt Raising Costs, which for statutory reporting is included in total Borrowing Costs (i.e. debt raising costs and interest expenses both form part of Borrowing Costs for statutory reporting). This approach is set out in the Regulatory Accounting Principles and Policies document provided in Attachment 13 of MGN's Annual RIN (for initial regulatory years 2011 to 2019) response submitted on 31 March 2021. Refer to Appendix A for Reconciliation of adjustments between Statutory Accounts and amounts reported in the RIN Templates.			
Repairs and maintenance	The capitalised maintenance amount deducted from Statutory Accounts is added back for RIN reporting. Further information is provided in Regulatory Accounting Principles and Policies 8.2.2			
Marketing and retail incentives	MGN does not have adjustments for Marketing and retail incentives, thus a 'Null' response is provided in the template.			
Debt raising	Data sourced from SAP system.	Actual		Refer to the Regulatory Accounting Principles and Policies document provided in relation to change in approach to RIN reporting.
Equity raising	MGN does not have adjustments for Equity raising, thus a 'Null' response is provided in the template.			
Unaccounted for gas	As no data is available to accurately determine the amount, the business has used 2018 number as the best estimate for 2020.	Estimate	2020 data considered as Estimate as no data is available now.	
Jurisdictional charges	MGN does not have adjustments for Jurisdictional charges, thus a 'Null' response is provided in template.			
GSL payments	MGN does not have adjustments for GSL payments, thus a 'Null' response is provided in the template.			

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Other Opex	Rent expense on leased business premises occupied by the business, is recognised as Opex for regulatory accounting purposes, which is different for Statutory reporting since the adoption of the new Australian Accounting Standard AASB 16 Leases, from 1 January 2019. Further information is provided in Regulatory Accounting Principles and Policies 5.8.1. The Capitalised Business Overhead amount associated with Business Support functions (MGDP Overhead 2) reported as Capex for Statutory Accounts is reported as Opex for RIN reporting. Further information is provided in Regulatory Accounting Principles and Policies 8.2.1. Other Significant adjustments include: 1. Common Funding Vehicle (CFV) costs which primarily relate to MGN's share of the establishment costs (which includes for example, consent fees from debt holders and legal costs) of AGI Finance Pty Ltd (AGIF) as a financing entity for MGN, DBP and AGI Developments (AGID). 2. Charges from DBP for MGN's share of monthly/yearly costs for goods and services incurred on its behalf.	Actual		

F4.1.3 – Distribution Business

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Repairs and maintenance	All categories within this section - Data from Audited Statutory Accounts (F4.1.1) less Adjustments (F4.1.2)	Actual/Estimate (Note: Only Estimate amount for unaccounted for gas for 2020 as noted in section F4.1.2 Adjustments)		Data in this section replicated in Table E1.2.1
Marketing and retail incentives				
Debt raising				
Equity raising				
Unaccounted for gas				
Jurisdictional charges				
GSL payments				
Other Opex				

F6. Related Party Transactions

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

F6.1.1 – Expenditure

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
	Data Source: The data was sourced from SAP General Ledger System and Statutory Accounts. Methodology and Assumptions: Amounts from the reports transcribed into the relevant year.	Actual		

F6.1.2 – Corresponding Expenses incurred by Related Party

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
	The data was sourced from the SAP General Ledger System.	Actual		

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

F6.2.1 – Revenue

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	MGN does not have payments greater than $1,000,000 received from Related parties, thus a 'Null' response is provided in the template.			

F6.2.2 – Corresponding Expenses incurred by its own

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	MGN does not have corresponding expenses incurred for greater than $1,000,000 received from Related parties, thus a 'Null' response is provided in the template.			

F6.3 – Related Party Margin Expenditure – by Category

F6.3.1 – Capex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Connections	Related party margin is zero, as related costs incurred by related party were on-charged to the business.	Actual		
Mains Replacement				
Mains Augmentation				
Telemetry				
Meter Replacement				

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
ICT				
Capitalised network overheads				
Capitalised corporate overheads				
Other Capex				

F6.3.2 – Opex

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Repairs and maintenance	Related party margin is zero, as related costs incurred by related party were on-charged to the business.	Actual		
Marketing and retail incentives				
Debt raising				
Equity raising				
Unaccounted for gas				
Jurisdictional charges				
GSL payments				
Other Opex				

F6.4 – Percentage of Capex Outsourced to Related Party

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Connections	None outsourced to related party hence zero percentages reported.	Actual		
Mains Replacement				
Mains Augmentation				
Telemetry				
Meter Replacement				
ICT				
Capitalised network overheads				
Capitalised corporate overheads				
Other Capex				

F6.5 – Percentage of Opex Outsourced to Related Party

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Total	Divided related party Opex amount in F6.1 by Total Opex in F4	Actual		

F7. Provisions

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Provision Accounts - Environmental	Data source: SAP General Ledger system Methodology and Assumptions: Amount for this General Ledger account was extracted from SAP. The total of movements in this account was transcribed into this cell.	Estimate	The business engaged an external consultant in 2017 to assess the environmental liability attached to the South Melbourne Depot. Provisions for future environmental remediation are recognised where sites subject to the *Environment Protection Act 1970* of Victoria liability provisions, are known to be contaminated and it is probable that an outflow of economic benefits will be required to remediate the site. The estimated future outflows are the best estimate of the expenditure required to remediate the sites. Future remediation costs are reviewed annually and any changes are reflected in the present value of the land management costs provision at the end of the reporting period.	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
Provision Accounts - UAFG	Data Source: SAP General Ledger system Methodology and Assumptions: Amount for this General Ledger account was extracted from SAP. The total of movements in this account was transcribed into this cell.	Estimate	This is an estimated liability and relates to the cost that is incurred to reimburse gas retailers for the loss of gas between the point that gas enters the network and the consumption read at the meter, in excess of the allowed benchmark. The benchmark is based on a historical average of gas losses. The provision represents estimated above benchmark volumes for the respective wholesale gas prices.	At a conceptual level, UAFG accrued is derived from a difference between gas injected into the system less gas withdrawn from the system.
Provision for Separation	Data Source: SAP General Ledger system Methodology and Assumptions: Amount for this General Ledger account was extracted from SAP. The total of movements in this account was transcribed into this cell.	Estimate	This is provision for employee entitlements (Annual and Long Service Leave) to be settled at some future dates. As this relates to future obligations, the timing and amounts are uncertain, hence considered as estimated.	
Provision Accounts – Payroll Tax on Bonus Provision	Data Source: SAP General Ledger system Methodology and Assumptions:	Estimate	As Bonus provision as explained below (Provision for Bonus section) is estimated, the calculation for this is also estimated.	

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
	Amount for this General Ledger account was extracted from SAP. The total of movements in this account was transcribed into this cell.			
Provision – Property Lease Break	Data Source: SAP General Ledger system Methodology and Assumptions: Amount for this General Ledger account was extracted from SAP. The total of movements in this account was transcribed into this cell.	Estimate	This was calculated in 2017 based on an assumption of the business likelihood of breaking the lease at some future date.	
Provision Accounts – Bonus Provision	Data Source: SAP General Ledger system Methodology and Assumptions: Amount for this General Ledger account was extracted from SAP. The total of movements in this account was transcribed into this cell.	Estimate	The amounts for each year are dependent on Corporate and Personal KPI achievements which are unknown at the time of making the provision.	

F9. Pass Through

F9.1 - Pass Through Event Expenditure

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

F10. Assets

F10.1 – Capital Base Values

Variable	Data source, Methodology and Assumptions	Actual / Estimate	Justification (if estimated)	Additional Comments
2020				
Capital Base Values	The values entered for the 2020 year are as per the current Multinet modelling for the 2023 to 2027 period which incorporates actual capex for 2018 to 2020.	Estimate	There are adjustments to capital expenditure in the Roll Forward Model (RFM), for instance the adjustment for the difference between actual and forecast net capex in the final year of the Access Arrangement period, which mean that the Actual Additions (recognised in RAB) line is not easily reconciled to the capex reported in F10. As the information in F10 is not statutory accounting information it has been classified as an estimate.	

Appendix A: Reconciliations for Adjustments between Audited Statutory Accounts and amounts reported for the MGN Distribution Business

F1.2 - ADJUSTMENTS		
		$0's, nominal
		2020
F1.2.1 - REVENUE		
Total revenue adjustments		10,454,368
F1.2.2 - EXPENDITURE		
Total expenditure adjustments	-	47,460,596
F1.2.3 - PROFIT		
Profit after tax		40,683,457

F1.2.1 - REVENUE (Adjustments breakdown)	2020
Capital Contributions excluded	12,894,886
Distribution Revenue adjustment to reflect SAP Billing data	(4,345,046)
Reclass to Other Revenue for RIN	1,904,529
Total revenue adjustments	**10,454,368**

F1.2.2 - EXPENDITURE (Adjustments breakdown)	
Refer to Operating expenditure adjustments as per F4.1.2	(15,830,026)
Depreciation adjusted to arrive at Regulatory Depreciation reported in Table F.10	(36,248,903)
Debt raising and Other Finance Costs reclassified to Operating Expenditure	4,508,502
Interest expense on Lease Liability removed from Net Finance Expenses (Lease costs added back as Opex due to the adoption of the new AASB 16 Leases, from 01 Jan 2019 in Statutory Accounts included in Operating Expenditure Refer F4.1.2 Adjsutments)	109,830
Total expenditure adjustments -	**47,460,596**

F1.2.3 - PROFIT	
Profit before tax	**57,914,965**
Income tax expenses (/ benefit)	17,231,508
Profit after tax	**40,683,457**

F4.1.2 - ADJUSTMENTS		
	EXPENDITURE	
	$0's, nominal	
Description	2020	
Breakdown of adjustments		
UAFG Provision write back reported in Stat Accounts removed	(1,000,000)	
Estimated UAFG amount for CY2020	(239,320)	
Capitalised Overheads associated with Business Suport Functions adopted from 01 Jan 2018 for Statutory Accounts added back as Opex for Regulatory Reporting	(3,711,115)	
Customer Initiated and Mtrs capitalised for Statutory Accounts added back as Opex for Regulatory Reporting	(3,488,844)	
Lease costs added back as Opex due to the adoption of the new AASB 16 Leases, from 01 Jan 2019 in Statutory Accounts	(1,036,245)	
Debt Raising costs moved from Net Finnace Expenses in Statutory Accounts	(845,596)	
Other Expenses	(5,508,906)	
Total adjustments	-	**15,830,026**