Assurance Reports 2024

This information was last updated on 27/6/2025, is current as of that date and replaces all previous versions.

27 June 2025

Jemena

Independent Auditor's Report

To the Directors of the entities which comprise the Eastern Gas Pipeline Service Provider

Report on the audit of the Financial Information within Part 10 Financial Reporting Templates

Opinion

We have audited the ***Financial Information*** of the Eastern Gas Pipeline Service Provider (Service Provider).

In our opinion, the accompanying Part 10 Financial Reporting Templates presents fairly, in all material respects, the Financial Information of the Service Provider for the year ended 31 December 2024, in accordance with the Pipeline Information Disclosure Guidelines and Price Reporting Guidelines for Part 18A Facilities issued by the Australian Energy Regulator (AER) on 27 October 2023 (Guideline) and the Basis of Preparation as prescribed by the Guideline.

The ***Financial Information*** is the Financial Information within tables 2.1, 2.1.1, 2.2.1, 2.2.2, 2.3.1, 2.3.2, 2.4.1, 2.5.1, 3.1.1, 3.1.2, 3.3.1, 3.4.1, 3.4.2, 3.5.1, 3.5.2 and 3.6.1 within the Part 10 Financial Reporting Templates for the year ended 31 December 2024.

The Eastern Gas Pipeline Service Provider comprises the following entities:

- Jemena Eastern Gas Pipeline (1) Pty Ltd
- Jemena Eastern Gas Pipeline (2) Pty Ltd

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Information* section of our report.

We are independent of the Service Provider in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Information in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to the Basis of Preparation attached to the Financial Information included within the Part 10 Financial Reporting Templates which describes the methodologies, assumptions and judgements made by management in preparing the Financial Information.

The Financial Information has been prepared to assist the Directors of the entities which comprise the Service Provider, for the purpose of fulfilling the Service Provider's reporting obligations under the Guideline. As a result, the Financial Information and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of the entities which comprise the Service Provider and the AER, who will receive a copy of our report, and should not be used by or distributed to parties other than the Directors of the Service Provider and the AER. We disclaim any assumption of responsibility for any reliance on this

report, or on the Financial Information to which it relates, to any person other than the Directors of entities which comprise the Service Provider and the AER or for any other purpose than that for which it was prepared.

Other Information

Other Information is Financial and Non-Financial Information in the Service Provider's annual regulatory reporting which is provided in addition to the Financial Information, the Basis of Preparation and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Information does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Information, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors and Management for the Financial Information

Management of the Service Provider is responsible for:

- the preparation of the Financial Information in accordance with the requirements of the Guideline and the Basis of Preparation; and
- implementing necessary internal control to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

The Directors of the entities which comprise the Service Provider are responsible for:

- overseeing the Service Provider's reporting process; and
- determining that the Basis of Preparation is appropriate to meet the needs of the AER in order to fulfil the Service Provider's reporting obligations.

Auditor's responsibilities for the audit of the Financial Information

Our objective is:

- to obtain reasonable assurance about whether the Financial Information as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Information.

A further description of our responsibilities for the audit of the Financial Information is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Glenn Austin
Partner
Melbourne
27 June 2025

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Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024

Revenue and expenses

Table 2.1: Statement of pipeline revenue and expenses by service

Basis of Preparation ID	Description	Total	Description	Total	Earnings before interest and tax (EBIT) by service
		$ nominal		$ nominal	$ nominal
	Revenue		**Expenses**		
	Firm forward haul transportation service	111,971,489	Firm forward haul transportation service	(47,806,368)	64,165,121
	Backhaul service	2,332,005	Backhaul service	(982,848)	1,349,157
	Interruptible or as available transportation service	10,731,351	Interruptible or as available transportation service	(4,585,268)	6,146,082
	Firm stand-alone compression service		Firm stand-alone compression service		
	Interruptible or as available stand-alone compression service		Interruptible or as available stand-alone compression service		
	Park service	11,666,134	Park service	(4,984,681)	6,681,453
	Park and loan services		Park and loan services		
	Capacity trading service		Capacity trading service		
	In pipe trading service		In pipe trading service		
	Other	11,569,480	Other	(4,943,383)	6,626,098
	Total net revenue	148,270,459	**Total Expenses**	(63,302,548)	84,967,911

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Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024
Profit & Loss statement by component

Table 2.1.1: Statement of pipeline revenue and expenses by component

		Current reporting period			Previous reporting period		
Basis of Preparation ID	Description	Amounts excluding related party transactions	Related party transactions	Total	Amounts excluding related party transactions	Related party transactions	Total
		$ nominal	$ nominal	$ nominal	$ nominal	$ nominal	$ nominal
	Direct revenue by pipeline						
2.1.1SOPRAEBC_D13:I22	Total service revenue	148,143,763	-	148,143,763	118,234,911	-	118,234,911
2.1.1SOPRAEBC_D13:I22	Customer contribution revenue	117,333	-	117,333	6,344,073	-	6,344,073
2.1.1SOPRAEBC_D13:I22	Government contribution revenue	-		-	-		-
2.1.1SOPRAEBC_D13:I22	Profit from sale of fixed assets	9,364	-	9,364	-	-	-
2.1.1SOPRAEBC_D13:I22	Other direct revenue		-	-	-	-	-
2.1.1SOPRAEBC_D13:I22	Total direct revenue by pipeline	148,270,459	-	148,270,459	124,578,984	-	124,578,984
2.1.1SOPRAEBC_D13:I22	**Indirect revenue allocated to pipeline**						
2.1.1SOPRAEBC_D13:I22	Other indirect revenue	-	-	-	-	-	-
	Total indirect revenue by pipeline	-	-	-	-	-	-
	Total revenue by pipeline	148,270,459	-	148,270,459	124,578,984	-	124,578,984
	Direct expenses by pipeline						
2.1.1SOPRAEBC_D24:I45	Repairs and maintenance	-	- 5,920,812	(5,920,812)	-	- 5,744,996	(5,744,996)
2.1.1SOPRAEBC_D24:I45	Wages	-	- 10,572,985	(10,572,985)	-	- 9,244,401	(9,244,401)
2.1.1SOPRAEBC_D24:I45	Depreciation	- 35,087,940	-	(35,087,940)	- 26,719,080	-	(26,719,080)
2.1.1SOPRAEBC_D24:I45	Insurance	-	-	-	-	-	-
2.1.1SOPRAEBC_D24:I45	Licence and regulatory costs	-	-	-	-	-	-
2.1.1SOPRAEBC_D24:I45	Directly attributable finance charges	-	-	-	-	-	-
2.1.1SOPRAEBC_D24:I45	Leasing and rental costs	-	- 650,888	(650,888)	-	- 593,718	(593,718)
2.1.1SOPRAEBC_D24:I45	Other direct expenses	-	- 4,333,368	(4,333,368)	-	- 3,823,724	(3,823,724)
	Total direct expenses by pipeline	(35,087,940)	(21,478,053)	(56,565,992)	(26,719,080)	(19,406,839)	(46,125,920)
	Shared expenses by pipeline						
2.1.1SOPRAEBC_D24:I45	Employee expenses	-	(2,589,527)	(2,589,527)	-	- 2,106,029	(2,106,029)
2.1.1SOPRAEBC_D24:I45	Information technology and communication costs	-	(1,129,505)	(1,129,505)	-	- 1,142,703	(1,142,703)
2.1.1SOPRAEBC_D24:I45	Indirect operating expenses	-	(1,028,660)	(1,028,660)	-	- 980,643	(980,643)
2.1.1SOPRAEBC_D24:I45	Shared asset depreciation	(1,715,744)	-	(1,715,744)	- 1,474,877	-	(1,474,877)
2.1.1SOPRAEBC_D24:I45	Rental and leasing costs	-	(273,121)	(273,121)	-	- 245,156	(245,156)
2.1.1SOPRAEBC_D24:I45	Borrowing costs	-	-	-	-	-	-
2.1.1SOPRAEBC_D24:I45	Loss from sale of shared fixed assets	-	-	-	-	-	-
2.1.1SOPRAEBC_D24:I45	Impairment losses (nature of the impairment loss)	-	-	-	-	-	-
2.1.1SOPRAEBC_D24:I45	Other shared expenses	-	-	-	-	-	-
	Total shared expenses allocated to pipeline	(1,715,744)	(5,020,812)	(6,736,556)	(1,474,877)	(4,474,530)	(5,949,407)
	Total expenses by pipeline	**(36,803,683)**	**(26,498,865)**	**(63,302,548)**	**(28,193,957)**	**(23,881,369)**	**(52,075,326)**
	Earnings before interest and tax (EBIT)	**111,466,776**	**(26,498,865)**	**84,967,911**	**96,385,027**	**(23,881,369)**	**72,503,658**

Part 10 Financial Reporting

Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024

Allocation to pipeline services

Table 2.2.1: Revenue by service

		Reporting period				Previous reporting period			
Basis of Preparation ID	Description	Allocation to pipeline service	Amounts excluding related party transactions	Related party transactions	Total	Allocation to pipeline service	Amounts excluding related party transactions	Related party transactions	Total
		%	$ nominal	$ nominal	$ nominal	%	$ nominal	$ nominal	$ nominal
	Direct revenue (excl. capital contributions)								
2.2.1RBS_D13:K23	Firm forward haul transportation service	75.52%	111,885,906	-	111,885,906	75.85%	89,677,126	-	89,677,126
2.2.1RBS_D13:K23	Backhaul service	1.55%	2,300,256	-	2,300,256	1.38%	1,634,730	-	1,634,730
2.2.1RBS_D13:K23	Interruptible or as available transportation service	7.24%	10,731,351	-	10,731,351	7.30%	8,627,088	-	8,627,088
2.2.1RBS_D13:K23	Firm stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D13:K23	Interruptible or as available stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D13:K23	Park service	7.87%	11,666,134	-	11,666,134	10.18%	12,031,430	-	12,031,430
2.2.1RBS_D13:K23	Park and loan services	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D13:K23	Capacity trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D13:K23	In pipe trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D13:K23	Other	7.81%	11,569,480	-	11,569,480	5.30%	6,264,537	-	6,264,537
	Total direct revenue (excl. capital contributions)	**100.00%**	**148,153,127**	**-**	**148,153,127**	**100.00%**	**118,234,911**	**-**	**118,234,911**
	Capital contributions								
2.2.1RBS_D25:K35	Firm forward haul transportation service	72.94%	85,583	-	85,583	72.94%	4,627,412	-	4,627,412
2.2.1RBS_D25:K35	Backhaul service	27.06%	31,749	-	31,749	27.06%	1,716,661	-	1,716,661
2.2.1RBS_D25:K35	Interruptible or as available transportation service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D25:K35	Firm stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D25:K35	Interruptible or as available stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D25:K35	Park service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D25:K35	Park and loan services	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D25:K35	Capacity trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D25:K35	In pipe trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D25:K35	Other	0.00%	-	-	-	0.00%	-	-	-
	Total capital contributions	**100.00%**	**117,333**	**-**	**117,333**	**100.00%**	**6,344,073**	**-**	**6,344,073**
	Indirect revenue allocated								
2.2.1RBS_D37:K49	Firm forward haul transportation service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Backhaul service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Interruptible or as available transportation service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Firm stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Interruptible or as available stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Park service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Park and loan services	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Capacity trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	In pipe trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.1RBS_D37:K49	Other	0.00%	-	-	-	0.00%	-	-	-
	Total indirect revenue	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**
	Total revenue		**148,270,459**	**-**	**148,270,459**		**124,578,984**	**-**	**124,578,984**

Table 2.2.2: Expenses by service

		Reporting period				Previous reporting period			
Basis of Preparation ID	Description	Allocation to pipeline service	Amounts excluding related party transactions	Related party transactions	Total	Allocation to pipeline service	Amounts excluding related party transactions	Related party transactions	Total
		%	$ nominal	$ nominal	$ nominal	%	$ nominal	$ nominal	$ nominal
	Direct expenses (excl. depreciation)								
2.2.2EBS_D56:K66	Firm forward haul transportation service	75.52%	-	(16,220,322)	(16,220,322)	75.85%	-	(14,719,422)	(14,719,422)
2.2.2EBS_D56:K66	Backhaul service	1.55%	-	(333,473)	(333,473)	1.38%	-	(268,321)	(268,321)
2.2.2EBS_D56:K66	Interruptible or as available transportation service	7.24%	-	(1,555,745)	(1,555,745)	7.30%	-	(1,416,033)	(1,416,033)
2.2.2EBS_D56:K66	Firm stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D56:K66	Interruptible or as available stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D56:K66	Park service	7.87%	-	(1,691,263)	(1,691,263)	10.18%	-	(1,974,815)	(1,974,815)
2.2.2EBS_D56:K66	Park and loan services	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D56:K66	Capacity trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D56:K66	In pipe trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D56:K66	Other	7.81%	-	(1,677,251)	(1,677,251)	5.30%	-	(1,028,248)	(1,028,248)
	Total direct expenses (excl. depreciation)	**100.00%**	**-**	**(21,478,053)**	**(21,478,053)**	**100.00%**	**-**	**(19,406,839)**	**(19,406,839)**
	Depreciation								
2.2.2EBS_D68:K78	Firm forward haul transportation service	75.52%	(27,794,307)	-	(27,794,307)	75.85%	(21,384,150)	-	(21,384,150)
2.2.2EBS_D68:K78	Backhaul service	1.55%	(571,421)	-	(571,421)	1.38%	(389,813)	-	(389,813)
2.2.2EBS_D68:K78	Interruptible or as available transportation service	7.24%	(2,665,845)	-	(2,665,845)	7.30%	(2,057,191)	-	(2,057,191)
2.2.2EBS_D68:K78	Firm stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D68:K78	Interruptible or as available stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D68:K78	Park service	7.87%	(2,898,060)	-	(2,898,060)	10.18%	(2,868,980)	-	(2,868,980)
2.2.2EBS_D68:K78	Park and loan services	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D68:K78	Capacity trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D68:K78	In pipe trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D68:K78	Other	7.81%	(2,874,050)	-	(2,874,050)	5.30%	(1,493,824)	-	(1,493,824)
	Total depreciation	**100.00%**	**(36,803,683)**	**-**	**(36,803,683)**	**100.00%**	**(28,193,957)**	**-**	**(28,193,957)**
	Shared expenses allocated (excl. depreciation)								
2.2.2EBS_D80:K91	Firm forward haul transportation service	75.52%	-	(3,791,740)	(3,791,740)	75.85%	-	(3,393,777)	(3,393,777)
2.2.2EBS_D80:K91	Backhaul service	1.55%	-	(77,954)	(77,954)	1.38%	-	(61,865)	(61,865)
2.2.2EBS_D80:K91	Interruptible or as available transportation service	7.24%	-	(363,678)	(363,678)	7.30%	-	(326,487)	(326,487)
2.2.2EBS_D80:K91	Firm stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D80:K91	Interruptible or as available stand-alone compression service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D80:K91	Park service	7.87%	-	(395,358)	(395,358)	10.18%	-	(455,322)	(455,322)
2.2.2EBS_D80:K91	Park and loan services	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D80:K91	Capacity trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D80:K91	In pipe trading service	0.00%	-	-	-	0.00%	-	-	-
2.2.2EBS_D80:K91	Other	7.81%	-	(392,082)	(392,082)	5.30%	-	(237,078)	(237,078)
	Total shared expenses (excl. depreciation)	**100.00%**	**-**	**(5,020,812)**	**(5,020,812)**	**100.00%**	**-**	**(4,474,530)**	**(4,474,530)**
	Total expenses		**(36,803,683)**	**(26,498,865)**	**(63,302,548)**		**(28,193,957)**	**(23,881,369)**	**(52,075,326)**

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Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024

Revenue contributions

Table 2.3.1: Customer contributions received

Description	Amounts excluding related party transactions	Related party transactions	Total
	$ nominal	$ nominal	$ nominal
Customer Contributions	117,333		117,333
			-
			-
			-
			-
			-
Total	117,333	-	117,333

Table 2.3.2: Government contributions received

Source	Description	Total
		$ nominal
Total		-

Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024
Indirect revenue

Please ensure allocation methodologies are explained in sufficient detail in the Basis of Preparation as required under the Guideline.

Table 2.4.1: Indirect revenue allocation

Basis of Preparation ID	Description	Indirect revenue excluding related parties	Indirect revenue from related parties	% allocated to pipeline	Total allocated to pipeline excluding related parties	Total related party amounts allocated to pipeline	Total amounts allocated to pipeline
	(list each individual revenue item)	$ nominal	$ nominal		$ nominal	$ nominal	$ nominal
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
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					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
	Total	-	-		-	-	-

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Part 10 Financial Reporting

Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd

Year ending 31/12/2024

Shared expenses

Please ensure allocation methodologies are explained in sufficient detail in the Basis of Preparation as required under the Guideline.

Table 2.5.1: Shared expense allocation

Basis of Preparation ID	Description	Income statement account applied to	Shared expenses excluding related parties	Shared expenses paid to related parties	% allocated to pipeline	Total allocated to pipeline excluding related parties	Total related party amounts allocated to pipeline	Total amounts allocated to pipeline
	(list each individual cost)		$ nominal	$ nominal		$ nominal	$ nominal	$ nominal
2.5.1SEA_D15:J36	Employee expenses	Various	-	(132,711,311)	2%	-	(2,589,527)	(2,589,527)
2.5.1SEA_D15:J36	Information technology and communication costs	Various	-	(33,309,726)	3%	-	(1,129,505)	(1,129,505)
2.5.1SEA_D15:J36	Indirect operating expenses	Various	-	(25,105,161)	4%	-	(1,028,660)	(1,028,660)
2.5.1SEA_D15:J36	Shared asset depreciation	Various	(24,604,960)	-	7%	(1,715,744)	-	(1,715,744)
2.5.1SEA_D15:J36	Rental and leasing costs	Various	-	(7,404,165)	4%	-	(273,121)	(273,121)
2.5.1SEA_D15:J36	Borrowing costs	-	-	-	0%	-	-	-
2.5.1SEA_D15:J36	Loss from sale of shared fixed assets	-	-	-	0%	-	-	-
2.5.1SEA_D15:J36	Impairment losses (nature of the impairment loss)	-	-	-	0%	-	-	-
2.5.1SEA_D15:J36	Other shared expenses		-	-		-	-	-
	please identify other shared expenses					-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
	Total		(24,604,960)	(198,530,362)		(1,715,744)	(5,020,812)	(6,736,556)

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Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024
Asset value - Depreciated Book Value Method (DBVM) (For Non-scheme pipeline only)

This template is for a non-indexed asset value based on the Australian Accounting Standards, featuring allowances for acquisition costs and asset impairments, for non-scheme pipelines.

Table 3.1.1: Pipeline assets (DBVM)

Basis of Preparation ID	Description	Reporting period	Previous reporting period
	Pipeline assets		
	Pipelines		
3.1.1PADBVM_D18:E80	Opening Cost Base	626,650,425	584,760,094
3.1.1PADBVM_D18:E80	Additions	1,153,707	41,890,331
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
	Total capitalised pipeline construction costs	627,804,132	626,650,425
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	(298,026,755)	(282,010,758)
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	-
	Closing pipelines carrying value	329,777,378	344,639,668
	Compressors		
3.1.1PADBVM_D18:E80	Opening Cost Base	252,248,531	252,603,068
3.1.1PADBVM_D18:E80	Additions	-	1,942,781
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	(155,818,814)	(139,352,640)
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	(2,297,319)
	Closing compressors carrying value	96,429,717	112,895,891
	City Gates, supply regulators and valve stations		
3.1.1PADBVM_D18:E80	Opening Cost Base	14,359,946	14,292,089
3.1.1PADBVM_D18:E80	Additions	120,352	67,857
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	(7,578,693)	(7,105,491)
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	-
	Closing city gates, supply regulators and valve stations carrying value	6,901,605	7,254,455
	Metering		
3.1.1PADBVM_D18:E80	Opening Cost Base	18,462,119	18,377,107
3.1.1PADBVM_D18:E80	Additions	-	85,013
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	(14,454,638)	(13,391,573)
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	-
	Closing metering carrying value	4,007,481	5,070,547
	Odorant plants		
3.1.1PADBVM_D18:E80	Opening Cost Base	-	-
3.1.1PADBVM_D18:E80	Additions	-	-
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	-	-
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	-
	Closing odorant plants carrying value	-	-
	SCADA (Communications)		
3.1.1PADBVM_D18:E80	Opening Cost Base	6,762,215	6,650,951
3.1.1PADBVM_D18:E80	Additions	126,118	112,786
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	(5,759,248)	(5,487,622)
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	(1,522)
	Closing SCADA carrying value	1,129,085	1,274,594

	Buildings		
3.1.1PADBVM_D18:E80	Opening Cost Base	2,257,946	2,257,946
3.1.1PADBVM_D18:E80	Additions	-	-
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	(1,109,719)	(1,039,326)
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	-
	Closing buildings carrying value	1,148,226	1,218,620
	Land and easements		
3.1.1PADBVM_D18:E80	Opening Cost Base	7,687,315	7,994,362
3.1.1PADBVM_D18:E80	Additions	(307,046)	(307,046)
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	-
	Closing land and easements carrying value	7,380,269	7,687,315
	Other depreciable pipeline assets		
3.1.1PADBVM_D18:E80	Opening Cost Base	113,612,614	112,144,864
3.1.1PADBVM_D18:E80	Additions	109,192	1,481,345
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Depreciation (excl. impairment)	(104,277,204)	(103,853,179)
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	(0)	0
	Closing other depreciable pipeline assets carrying value	9,444,602	9,773,029
	Leased assets		
3.1.1PADBVM_D18:E80	Opening Cost Base	-	-
3.1.1PADBVM_D18:E80	Additions	-	-
3.1.1PADBVM_D18:E80	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E80	Depreciation (Amortisation) (excl. impairment)	-	-
3.1.1PADBVM_D18:E80	Impairment losses	-	-
3.1.1PADBVM_D18:E80	Disposals or early termination (at cost)	-	-
	Closing leased asset carrying value	-	-
3.1.1PADBVM_D97:E102	**Other non-depreciable pipeline assets**		
3.1.1PADBVM_D97:E102	Opening Cost Base	1,510,102,512	1,329,142,999
3.1.1PADBVM_D97:E102	Additions	166,511,944	180,959,513
3.1.1PADBVM_D97:E102	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D97:E102	Disposals or early termination (at cost)	-	-
	Closing other non-depreciable pipeline assets carrying value	1,676,614,456	1,510,102,512
	Total pipeline assets	2,132,832,819	1,999,916,631
	Shared supporting assets allocated		
	Shared property, plant and equipment		
3.1.1PADBVM_D106:E119	Opening Cost Base	19,809,496	17,977,994
3.1.1PADBVM_D106:E119	Additions	1,627,052	2,180,681
3.1.1PADBVM_D106:E119	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D106:E119	Depreciation (excl. impairment)	(14,901,693)	(13,507,007)
3.1.1PADBVM_D106:E119	Impairment losses	-	-
3.1.1PADBVM_D106:E119	Disposals or early termination (at cost)	(591,643)	(639,481)
	Closing shared property, plant and equipment carrying value	5,943,212	6,012,186
	Shared leased assets		
3.1.1PADBVM_D106:E119	Opening Cost Base	-	-
3.1.1PADBVM_D106:E119	Additions	-	-
3.1.1PADBVM_D106:E119	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D106:E119	Depreciation (Amortisation) (excl. impairment)	-	-
3.1.1PADBVM_D106:E119	Impairment losses	-	-
3.1.1PADBVM_D106:E119	Disposals or early termination (at cost)	-	-
	Closing leased assets carrying value	-	-
3.1.1PADBVM_D121:E123	**Inventories**	-	-
3.1.1PADBVM_D121:E123	**Deferred tax assets**	-	-
3.1.1PADBVM_D121:E123	**Other assets**	-	-
	Total shared supporting assets allocated	5,943,212	6,012,186
	TOTAL ASSETS	**2,138,776,031**	**2,005,928,817**

Table 3.1.2: Initial costs of pipeline assets (DBVM)

Basis of Preparation ID	Description	Acquisition year
	TOTAL ASSETS	
3.1.2ICOPADBVM_D132	Initial acquisition costs	1,334,427,192

Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024

Asset useful life

Table 3.3.1: Asset useful life

Basis of Preparation ID	Description (list each individual balance sheet item)	Commission date (provide a range)	Useful life	Reason for choosing this useful life
			years	
3.3.1AUL_D11:F39	Pipelines	August 2000 to December 2022	40	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
3.3.1AUL_D11:F39	Compressors	August 2000 to March 2023	26	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
3.3.1AUL_D11:F39	City Gates, supply regulators and valve stations	August 2000 to August 2024	37	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
3.3.1AUL_D11:F39	Metering	August 2000 to June 2023	21	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
3.3.1AUL_D11:F39	Odorant plants	NA		N/A - No assets classified in this category
3.3.1AUL_D11:F39	SCADA (Communications)	August 2000 to August 2023	8	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
3.3.1AUL_D11:F39	Buildings	August 2000 to January 2017	30	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
3.3.1AUL_D11:F39	Other depreciable pipeline assets	August 2000 to December 2024	34	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.

3.3.1AUL_D11:F39	Land and easements	August 2000 to March 2020	39	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
	insert asset description			
	insert asset description			
	insert asset description			
3.3.1AUL_D11:F39	Leased assets	NA		N/A - No assets classified in this category
	insert asset description			
	insert asset description			
	insert asset description			
	insert asset description			
3.3.1AUL_D11:F39	Shared property, plant and equipment	August 2000 to December 2024	5	The economic useful life of individual assets is defined in terms of the asset's expected use to the service provider. Therefore, the useful life of an asset may be shorter than its Technical or Engineering life. The estimation of the economic useful life of an asset is a matter of judgement based on the Group's experience with similar assets. Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category. Aggregated useful life calculated as aggregate weighted cost useful life of all assets within the asset category.
	insert asset description			
	insert asset description			
	insert asset description			
	insert asset description			
	insert asset description			
3.3.1AUL_D11:F39	Shared leased assets	NA		N/A - No assets classified in this category
	insert asset description			
	insert asset description			
	insert asset description			
	insert asset description			

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Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024
Asset impairment

Table 3.4.1: Assets impaired

Asset description	Category	Impairment amount $ nominal	Impairment date	Basis for impairment

Table 3.4.2: Asset impairment reversals

Asset description	Category	Prior Impairment amount $ nominal	Impairment date	Basis for impairment	Reversal amount $nominal	Reversal date	Basis for Reversal

Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024
Depreciation amortisation

Contents

Modify cost adjustment column if accelerated depreciation is applicable.

Table 3.5.1: Pipeline assets at cost

Basis of Preparation ID	Description	Category	Acquisition date (provide a range)	Useful life	Estimated residual value	Opening Cost Base	Current year additions	Current year capitalised maintenance or improvements	Current year disposals or Early termination	Cost base	% Cost adjustment for accelerated depreciation (if applicable)	Adjusted cost base	Prior years' accumulated depreciation	Current year depreciation	Written down value
				Years	$ nominal	$ nominal	$ nominal	$ nominal	$ nominal	$ nominal		$ nominal	$ nominal	$ nominal	$ nominal
3.5.1PAAC_C15:Q59	City Gates	City Gates, supply regulators and valve stations	August 2000 to August 2024	36.6	-	14,359,946	120,352	-	-	14,480,298	100.00%	14,480,298	(7,105,491)	(473,202)	6,901,605
3.5.1PAAC_C15:Q59	Compressors	Compressors	August 2000 to March 2023	26.2	-	252,248,531	-	-	-	252,248,531	100.00%	252,248,531	(139,352,640)	(16,466,174)	96,429,717
3.5.1PAAC_C15:Q59	Pipelines	Pipelines	August 2000 to December 2022	40.4	-	543,152,342	(6,922,871)	-	-	536,229,471	100.00%	536,229,471	(282,012,807)	(16,013,948)	238,202,716
3.5.1PAAC_C15:Q59	AUC-Network	Pipelines	August 2000 to December 2024	N/A	-	83,498,083	8,076,578	-	-	91,574,662	100.00%	91,574,662	-	-	91,574,662
3.5.1PAAC_C15:Q59	Other depreciable pipeline assets	Other depreciable pipeline assets	August 2000 to December 2024	34.3	-	113,612,614	109,192	-	(0)	113,721,806	100.00%	113,721,806	(103,849,441)	(427,763)	9,444,602
3.5.1PAAC_C15:Q59	Metering	Metering	August 2000 to June 2023	21.2	-	18,462,119	-	-	-	18,462,119	100.00%	18,462,119	(13,391,573)	(1,063,065)	4,007,481
3.5.1PAAC_C15:Q59	SCADA (Communications)	SCADA (Communications)	August 2000 to August 2023	7.8	-	6,762,215	126,118	-	-	6,888,333	100.00%	6,888,333	(5,487,622)	(271,627)	1,129,085
3.5.1PAAC_C15:Q59	Buildings	Buildings	August 2000 to January 2017	30.3	-	2,257,946	-	-	-	2,257,946	100.00%	2,257,946	(1,039,326)	(70,394)	1,148,226
3.5.1PAAC_C15:Q59	Land and easements	Land and easements	August 2000 to March 2020	39.0	-	7,687,315	(307,046)	-	-	7,380,269	100.00%	7,380,269	-	-	7,380,269
										-	100.00%	-			-
										-	100.00%	-			-
										-	100.00%	-			-
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										-	100.00%	-			-
										-	100.00%	-			-
	Total pipeline assets				-	1,042,041,112	1,202,322	-	(0)	1,043,243,434		1,043,243,434	(552,238,898)	(34,786,173)	456,218,362

Table 3.5.2: Shared assets at cost

Basis of Preparation ID	Description	Category	Acquisition date	Useful life	Opening Cost Base	Current year additions	Current year capitalised maintenance or improvements	Current year disposals or Early termination	Cost base	% Cost adjustment for accelerated depreciation (if applicable)	Adjusted cost base	Prior years' accumulated depreciation	Current year depreciation	Written down value
				Years	$ nominal	$ nominal	$ nominal	$ nominal	$ nominal		$ nominal	$ nominal	$ nominal	$ nominal
3.5.2SAAC_D66.P84	Shared property, plant and equipment	Shared property, plant and equipment	August 2000 to December 2024	4.7	19,809,496	1,627,052	-	591,643	20,844,905	100.00%	20,844,905	(13,343,721)	(1,557,972)	5,943,212
									-	100.00%	-			-
									-	100.00%	-			-
									-	100.00%	-			-
									-	100.00%	-			-
									-	100.00%	-			-
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									-	100.00%	-			-
									-	100.00%	-			-
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									-	100.00%	-			-
									-	100.00%	-			-
									-	100.00%	-			-
									-	100.00%	-			-
									-	100.00%	-			-
	Total fixed assets				**19,809,496**	**1,627,052**	-	**(591,643)**	**20,844,905**		**20,844,905**	**(13,343,721)**	**(1,557,972)**	**5,943,212**

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Part 10 Financial Reporting

Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd

Year ending **31/12/2024**

Shared supporting assets

Please ensure allocation methodologies are explained in sufficient detail within the Basis of Preparation as required under the Guideline.

Table 3.6.1: Shared supporting asset allocation

Basis of Preparation ID	Description (list each individual shared asset category greater than 5%)	Category of shared assets	Total amount	% allocated to pipeline	Total allocated to pipeline
			$ nominal		$ nominal
3.6.1SSAA_C15:G47	Software	Shared property, plant and equipment	19,673,601	5%	955,060
3.6.1SSAA_C15:G47	IT Computers Desktop Equipment	Shared property, plant and equipment	18,398,643	2%	300,394
3.6.1SSAA_C15:G47	Plant and Equipment	Shared property, plant and equipment	5,748,695	6%	365,780
					-
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Total			43,820,939		1,621,234

The Australian Energy Regulator (AER) issued Pipeline Information Disclosure Guidelines (the Guideline) in October 2023 under Part 10 of the National Gas Rules. This guideline requires service providers to publish certain financial information in relation to pipelines.

This Basis of Preparation relates to the information reported for the Eastern Gas Pipeline (the pipeline) for the reporting period 1 January to 31 December 2024 (reporting period). Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd (collectively, service providers) are the service providers for the pipeline. For the purposes of section 1.7 of the Guideline, the members of the service provider group have appointed Jemena Eastern Gas Pipeline (1) Pty Ltd as the responsible service provider for the purposes of publishing the information.

The Eastern Gas Pipeline is a non-scheme pipeline under the National Gas Law.

To apply the guideline we have adopted the following general interpretations:

•Acquisition costs and associated dates (mainly in the Recovered Capital Method (RCM) template) are determined by reference to the ownership of the pipeline by the Jemena Group. This means for instance that acquisition of the pipeline occurred on 1 Aug 2007 when the Jemena Group acquired the pipeline.

•Actual information includes information calculated directly from information contained in Jemena Group's systems and other records whose presentation is not dependent on material judgement. Estimated information is anything other than actual information.

•To meet the requirements of the Guideline when compiling the RCM valuation (section 4.1) the service providers undertook all reasonable steps to obtain historical information where this was not already available to the Jemena Group. These steps are further explained in the RCM section of this basis of preparation.

The rest of this basis of preparation document explains how we have populated each of the templates required by the Guideline, including by identifying where estimated data was used when actual data was not available.

1. Pipeline information

Service providers are required to report the details of the pipeline, pipeline services provided and whether these services are provided to related parties and non-related parties.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
1.1	Pipeline details	N/A - No BoP Reference cells in the AER template	Pipeline Location and Length Number of Customers Service Type Pipeline Nameplate Capacity Construction Date	Actual	NA	**Pipeline Location and Length** GIS **Number of Customers** PypIT **Service Type** AEMC's gas pipeline register **Pipeline Nameplate Capacity** Refer to basis of preparation for Table 5.3. **Construction Date** 30th June 1998	NA	**Pipeline Location and Length** The pipeline lengths are calculated in the Geographic Information System (GIS) by summing the geometric lengths of the pipeline and all its laterals. Pipeline Map Link: 599-egp-ma-pl-014-supply-area-map-rev-4.pdf (jemena.com.au) **Number of Customers** Number of contracted customers are calculated by running a PypIT invoice summary report and pivoting this for the number of customers in the period. PypIT is the billing/invoicing system used by the pipeline. PypIT records customer contract information and provides customer volumes and revenue data by service type. **Service Type** As per AEMC's gas pipeline register of pipeline classification under the National Gas Law: https://www.aemc.gov.au/energy-system/gas/gas-pipeline-register **Pipeline Nameplate Capacity** Refer to basis of preparation for Table 5.3. **Construction Date** Construction date is interpreted as the mid-point of the year when construction commenced.	None Noted
1.2	Pipeline services provided	N/A - No BoP Reference cells in the template	Pipeline services provided	Actual	NA	PypIT	NA	Based on current service offerings as described below. **Service description** A Commercial Operations SME reviewed all services provided and made available to customers during the reporting period based on which the template was populated. **Provided to non-related parties** All services were provided to non-related parties based on a review of the PypIT customer listing and relevant supporting contracts. **Provided to related parties** No services were provided to related parties.	Other pipeline services provided This includes Day Ahead Auction revenue.

2. Revenue and expenses

An overview of the revenue generated from pipeline operations and the costs associated with the pipeline, published by pipeline services.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.1	Statement of pipeline revenue and expenses by service	NA	NA	NA	NA	NA	NA	NA	NA

2.1 Profit & Loss statement by components

An overview of the revenue generated from pipeline operations and the costs associated with the pipeline, published by P&L components.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D13:I22	Description: Direct revenue by pipeline	Actual	N/A	PypIT and SAP	None noted	**Amount excluding related party transactions:** **Total service revenue** Refer to Table ID 2.2.1, which includes an explanation of how revenue is allocated to 'Description' categories. **Customer Contributions revenue** None **Government Contributions revenue** None **Profit from sale of fixed assets & Other direct revenue** Items reported in this description category based on review of the SAP general ledger extract. **Other indirect revenue** None **Reporting period – Amounts excluding related party transactions** No related party revenue transactions were noted in the review of the SAP ledger transactions and the supporting customer artefacts, therefore all revenue has been reported within the 'Amount excluding related party transactions' column.	None Noted
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24:I45	Description: Direct expenses by pipeline Shared expenses by pipeline	Actual	N/A	SAP	None noted	The pipeline uses an Enterprise Resource Planning (ERP) system (SAP) to record its financial transactions. Costs are collected in planned maintenance orders (PMO) that cascade up to projects (WBS elements) in SAP based on the activity, on which an employee works or where an external supplier provides goods/services. Reporting tools (BI and Analysis for Office) are used to download the operating expenditure costs from SAP. The data is aggregated by WBS element and general ledger account code (cost element) and mapped into the relevant cost category of the template. **Related party and non-related party** The majority of costs that the service provider incurs are sourced from a related entity, Jemena Asset Management Pty Ltd (JAM). JAM records costs that are attributable to the service provider and uses SAP functionality to transfer such costs at zero margin to the service provider. These costs are reported in the 'related party transactions' column. **Direct costs and Shared costs** Direct and shared cost classification is based upon the activity/service category codes included as part of the WBS element structure for each project. An activity/service mapping table is used to map activities into relevant cost categories: -Direct Costs: For example, Commercial Management (customers and markets, strategy and market development, project development), Business Operations (integrated business performance, operations excellence, control room monitoring, commercial support), Asset management (asset investment, plant performance, planning & assessment, information & maintenance support), Service Delivery (construction, maintenance and faults, metering, emergency response). -Directly attributable costs are allocated to pipeline through a PM Order which is the lowest level cost collector. PM Order's settle or cascade up to a specific project (WBS) in SAP. -Shared Costs: Enterprise Support Functions (For example, executive management, finance, legal, human resources, information technology (IT) etc.). Note: Shared costs flow into Table 2.1.1 from Table 2.5.1 Shared cost allocation.	None Noted
								Mapping Opex into the template 'Description' categories The cost element description field from costs within the pipeline was used to map into the template's categories (e.g. 'wages', 'other direct costs', 'employee costs', 'indirect operating expenses', etc.). The pipeline has interpreted direct wages as the payroll costs of staff who are not enterprise support functions. The pipeline's shared employee costs are the allocated payroll costs of enterprise support function staff such as finance, legal, people, safety and environment. Where project descriptions and activity/service category codes support classification within a more specific category then the cost element-based mapping was overridden . The following description categories were populated based on project description/activity code mapping: -Information technology and communication costs -Rental and leasing costs -Repairs and maintenance -Leasing and rental costs Note: Insurance costs are included in the enterprise support costs as these are shared across the Jemena Group, therefore a $nil value has been reported for Direct Insurance costs. **Earnings before Interest and tax (EBIT)** Non-input cell.	None Noted
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24:I45	Description: Depreciation (Direct expenses by pipeline) Shared asset depreciation (Shared expenses allocated to pipeline)	Actual	N/A	SAP – Fixed Asset Movement Report (FAMR) and Equipment Register The SGSP (Australia) Assets Pty Ltd (SGSPAA) Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	None noted	**SAP FAMR** Depreciation expense was extracted from the annual SAP FAMR. **SGSPAA Group Consolidation supporting schedule** Depreciation expense was extracted from the SGSPAA Group Consolidation supporting schedule for pipeline assets not included in the SAP FAMR. Total depreciation was classified between direct depreciation and shared asset depreciation based on the mapping of the individual assets in the FAMR applied in Table 3.5.1 Depreciation. **Reporting period – Amounts excluding related party transactions** All depreciation expenses are recorded directly within the Pipeline and are not transferred from a related party entity and therefore are reported in the 'Amounts excluding related party transactions' column.	None Noted

2.2 Allocation to pipeline services
A breakdown of revenue and expanses by each pipeline services.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.2.1	Revenue by service	2.2.1RBS_D13:K23	Direct Revenue (excl. capital contributions)	Actual	N/A	PypIT and SAP	N/A	**Allocation to pipeline service & -Amount excluding related party transactions** **Allocator and Allocator justification:** Each PypIT Revenue Service ID is directly attributable to a specific category of Direct Revenue based on the contract details contained in PypIT and an assessment of the nature of the service provided. Each direct revenue line item's Allocation of Pipeline Service (%) is calculated as the revenue amount ($) per line item divided by the Total direct revenue amount ($). **Allocator justification:** Numeric quantities of allocators are displayed in the reporting template. **Non-PypIT Revenue (SAP)** SAP revenue items that are not sourced from PypIT do not relate to any of the standard categories shown in the template and are reported in the 'Other' Direct revenue category based on analysis of supporting SAP journal records. Other Direct revenue includes miscellaneous revenue items such as imbalance charges, odorization charges, Day Ahead Auction revenue and maintenance service contracts. **Reporting period – Amounts excluding related party transactions** Based on a review of PypIT customer records and SAP supporting records, the pipeline did not have any direct revenue sourced from related parties, therefore all revenue has been reported within the 'Amount excluding related party transactions' column.	None Noted
2.2.1	Revenue by service	2.2.1RBS_D25:K35	Capital Contributions	Actual	N/A	SAP	N/A	**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Capital contributions were sourced from the pipeline's SAP general ledger and allocated to the 'Description' revenue categories based on the Direct Revenue allocator. **Allocator justification**: The Direct revenue allocator was the most appropriate for Capital Contributions where capital contributions are not attributable to a specific revenue category i.e. Customers who make capital contributions may use multiple services. In terms of allocation to services where the intention of the connection was unclear at the time of the capital works agreement subsequent revenue for that connection point was used as a basis to allocate to the different service types. Numeric quantities of allocators are displayed in the reporting template. **Reporting period -Related party transactions** Based on a review of SAP supporting records, the pipeline did not have any Capital Contributions sourced from related parties.	None Noted
2.2.1	Revenue by service	2.2.1RBS_D37:K49	Indirect revenue allocated	Actual	N/A	SAP	N/A	No indirect revenue was reported as no indirect revenue was allocated to the pipeline during the reporting period as such amounts would have been recorded in the pipeline's SAP general ledger.	None Noted
2.2.2	Expenses by service	2.2.2EBS_D56:K66 2.2.2EBS_D80:K91	Total direct expenses (excl. depreciation) Total shared expenses (excl. depreciation)	Actual (except for allocation to pipeline services)	Direct expenses and Shared expenses are not directly attributed in SAP into a specific Direct revenue category	Direct revenue line items	Expenses have been allocated using revenue as an allocator.	**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Expenses were allocated to the 'Description' categories based on the Direct Revenue allocator. Allocation of Pipeline Service (%) calculated as Total direct expenses / Total shared expenses (excl. depreciation) ($) multiplied by Direct revenue line item amount ($) divided by the Total direct revenue amount ($) ratio. **Allocator justification:** The allocator is the most appropriate because there is a relationship between the economic benefits realised (direct revenue) and the economic benefits consumed (Direct expenses & Shared Expenses) as a result of operating the pipeline, and the service operator is not aware of a more appropriate allocation approach. Numeric quantities of allocators are displayed in the reporting template.	None Noted
2.2.2	Expenses by service	2.2.2EBS_D68:K78	Depreciation	Actual (except for allocation to pipeline services)	Assets and the resulting depreciation expense are not attributed in SAP into a specific Direct revenue category	Direct revenue line items		**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Depreciation was allocated to the 'Description' categories based on the Direct Revenue allocator. Allocation of Pipeline Service (%) calculated as Total depreciation ($) multiplied by Direct revenue line item amount ($) divided by the Total direct revenue amount ($) ratio. **Allocator justification:** The allocator is the most appropriate because there is a relationship between the economic benefits realised (direct revenue) and the economic benefits consumed (depreciation) through utilisation of the Service Provider's assets, and the service operator is not aware of a more appropriate allocation approach. Numeric quantities of allocators are displayed in the reporting template.	None Noted

2.3 Revenue contributions

A list of capital contributions received (including both customer and government contributions).

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.3.1	Customer contributions received	N/A – No Basis of Preparation ID	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Customer contributions were recognised as revenue. The supporting journal documentation was reviewed to assess whether or not the contribution was received from a related party.	None Noted
2.3.2	Government contributions received	N/A – No Basis of Preparation ID	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Government contributions received. No such transactions were identified.	None Noted

2.4 Indirect revenue

A list of the indirect revenue allocated to the pipeline

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.4.1	Indirect revenue allocation	2.4.1.IRA	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Indirect revenue was received. Indirect revenue was reported as nil on the basis that there was no indirect revenue which was required to be allocated to the pipeline.	None Noted

2.5 Shared expenses

Service providers are required to allocate a fair proportion of shared costs such as corporate overheads to each pipeline.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.5.1	Shared expense allocation	2.5.1SEA_D15:J36	Description categories, Income statement account applied to, Shared costs excluding related parties, Shared costs paid to related parties, (Gross shared costs), % allocated to pipeline, Total allocated to pipeline excluding related parties, Total related party amounts allocated to pipeline (Net shared costs).	Actual	N/A	SAP	N/A	Shared Costs relate to enterprise support functions such as executive management, finance, legal, information technology (IT), human resources etc. Shared costs reported are those of the broader SGSPAA Group excluding Zinfra. **Description categories** The cost element description field was used to map costs into the template's 'Description' categories (e.g. 'Employee costs', 'Indirect operating expenses', etc.). Project descriptions were also used as a basis to categorise costs into description categories (e.g. 'Information technology and communication costs'). For costs other than labour, project descriptions and activity/service category codes were used for further specific categorisation. The following description categories were populated based on project description/activity code mapping: -Information technology and communication costs. -Rental and leasing costs. Income statement account applied to Each 'Description' category row in the template is the aggregation of multiple cost element description categories and Project descriptions therefore the column 'Income statement account applied to' has been populated as 'Various'.	None Noted
								Related party and non-related party: **Shared costs excluding related parties** Shared asset depreciation is the only value included in this column as depreciation is based on shared assets purchased by the Jemena Group and allocated to the pipeline. **Shared costs paid to related parties** The gross shared costs paid to related parties for enterprise support functions (e.g. Finance, Legal, Managing Director) are the total shared costs incurred across the Jemena Group before allocating to specific assets (e.g. pipelines). Gross shared costs are collected in SAP at the JAM entity. It is from this entity that the allocation of shared costs occurs. These allocated costs are transferred to the pipeline using SAP functionality and mapped into the template categories based on a methodology consistent with the approach outlined above for net shared costs, therefore based on: -cost element mapping and -project descriptions and activity/service category codes **Percent (%) allocated to pipeline and total allocated to pipeline excluding related parties,** As described above, the majority of shared costs that the pipeline incurs are sourced from a related entity JAM which records costs that relate to the pipeline and uses SAP functionality that transfers such costs at zero margin to the pipeline. These costs are reported in the 'Shared costs paid to related parties' column.	None Noted
								Allocator: Shared costs are allocated in the following ways: -Non directly attributable costs are allocated using two steps: -Step 1: Jemena Group level enterprise support function costs are allocated to the Pipelines group based on the specific causal drivers attributed to each separate type of Shared Cost, with a range of allocation drivers used as appropriate for each type of cost including surveys of headcount effort, surveys of digital application usage, emissions volumes, revenue and EBIT. -Step 2: Shared costs are then allocated to each pipeline based on a management survey of the support effort consumed by each pipeline. **Allocator justification:** The allocators used to allocate shared enterprise support function costs are the most appropriate because the allocator is the best estimate of the benefits consumed by the respective Jemena Group assets. The costs allocated to each shared expense 'Description' category (e.g. 'Employee costs', 'information technology and communication costs' etc.) is an aggregate of many projects with varying cost allocation percentages from the different shared functions. The percentage allocated to a pipeline is calculated as: Amounts allocated to pipeline divided by the gross amount across the Jemena Group. The shared costs allocated to the pipeline is sourced from SAP using a combination of projects and cost elements. Numeric quantities of allocators are displayed in the reporting template.	None Noted

3. Asset value - Depreciated Book Value Method (DBVM) (For Non-scheme pipeline only)
An overview of the assets utilised in the pipeline operations based on DBVM.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.1.1	Pipeline assets (DBVM)	3.1.1PADBVM_D18:E80 3.1.1PADBVM_D106:E119	Pipeline assets, Shared supporting assets	Per source material	N/A	FAR	Refer to assumptions in table 3.5.1: Pipeline assets at cost and table 3.5.2: Shared assets at cost.	Per source material for non-input cells referencing 'Table 3.5.1: Pipeline assets at cost' and 'Table 3.5.2: Shared assets at cost'. No revaluation of pipeline assets The service provider confirms that the pipeline's assets are measured at historical cost in accordance with AASB 116 Property, Plant and Equipment, none of the pipeline's assets have been revalued since the acquisition date. The pipeline does not depreciate land but does depreciate easements that have a fixed term life. To align with the presentation of information required in Table 3.1.1, the opening cost base in the comparative column has been revised to reflect the opening accumulated depreciation. Current year depreciation has been included in the additions for the current reporting period. **For shared assets** **Allocator:** Shared assets are allocated to pipelines in the following way: -Non directly attributable costs are allocated to pipelines based on the approved capex business case which outlines the case by case assessment of the specific SPSPAA Group business units that will benefit from the new asset. At the time of commissioning the new asset it is reassessed to confirm that the allocation to split the assets aligns with the expected benefits from the asset. . **Allocation Justification:** The Business Case and commissioning benefit review is the most appropriate allocator because it best aligns with how the future economic benefits from the assets are expected to be realised. Numeric quantities of allocators are displayed in the reporting template.	None Noted
3.1.1	Pipeline assets (DBVM)	3.1.1PADBVM_D97:E102	Other non-depreciable pipeline assets	Actual	N/A	SGSPAA Group Consolidation support schedule (Fair Value Adjustments and Goodwill) SAP	N/A	**Other non-depreciable pipeline assets - SGSPAA Group Consolidation support schedule** The amounts reported include goodwill which arose from the acquisition of the pipeline. As there is no specific Goodwill category, the pipeline has included $760,983,093 of goodwill in the 'Other non-depreciable pipeline assets' in the template. This category also includes other non-depreciable pipeline assets including receivables of $911,593,399, of which the intercompany receivables amount to $899,495,954 **Other non-depreciable pipeline assets – SAP TB** Amounts have been extracted from the pipeline's Trial Balances for the reporting period and include GL accounts such as accrued receivables, inventories, deferred tax assets and amounts due from related parties. SAP has functionality that records and identifies any transactions from related parties to the pipeline, known as trading partner. Related party loan accounts with each trading partner entity were aggregated, where the receivable amount was greater than the payable amount the net amount was reported in 'Other non-depreciable pipeline assets'. Where the payable amount was greater than the receivable amount the balance was a net liability and therefore not included in 'Other non-depreciable pipeline assets' in the template. The pipeline has a legally-enforceable right to set off the recognised amounts and the pipeline intends either to settle on a net basis or realise the asset and settle the liability simultaneously. In accordance with accounting standards the pipeline has netted off deferred tax assets and liabilities in its Balance Sheet.	None Noted
3.1.1		3.1.1PADBVM_D121:E123	Inventories, Deferred tax assets, Other assets	Actual	N/A	SAP	N/A	The pipeline's Inventories, deferred tax assets and other assets are not shared assets, they form part of Pipeline Assets and are reported on the row 'Other non-depreciable pipeline assets.	None Noted
3.1.2		3.1.2ICOPADBVM_D132	Initial costs of pipeline assets (DBVM)	Actual	N/A	Published Accounts of SGSP (Australia) Assets Pty Ltd	N/A	The acquisition costs incurred were sourced from Group's published accounts. Where necessary, Group costs were allocated to individual pipelines based on a valuation report from the acquisition.	None Noted

3.2 Asset value - Regulatory Asset Base (RAB) (For Scheme pipeline only) An overview of the assets utilised in the pipeline operations based on RAB.									
Table ID	**Table Name**	**BoP ID**	**Item Name**	**Estimated/Actual**	**Why Estimated**	**Source**	**Assumptions**	**Methodology**	**Additional Comments**
3.2.1	Pipeline assets (RAB)	3.2.1RAB	NA	NA	NA	NA	NA	NA	This table is only required for scheme pipelines. The pipeline is not a scheme pipeline.

3.3 Asset useful life

The asset useful life schedule, which provides the basis for calculating depreciation for different classes of assets and the reason for choosing this basis.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.3.1	Asset useful life	3.3.1AUL_D11:F39	Description (list each individual balance sheet item), Commission date (provide a range), Useful life years, Reason for choosing this useful life	Actual	NA	SAP	NA	**Description (list each individual balance sheet item)** The 'Description' column was referenced from the 'Description' column as listed in: -Table 3.3.1: Pipeline assets at cost -Table 3.3.2: Shared assets at cost Assets under construction (AUC) are assets that are still in the process of being constructed and not yet installed ready for use, therefore they are excluded from Table 3.1.1 The pipeline does not depreciate land but does depreciate easements that have a fixed term life. **Commission date (provide a range)** The assets in the FAMR sourced from SAP, have been aggregated into similar 'Description' items in Table 3.1.1. For each asset 'Description' category the date pipeline was commissioned and most recent asset commissioning dates were extracted for disclosure. **Useful life years** The useful life for each category was calculated based on the weighted average cost useful life formula below with the information sourced from FAMR. Weighted average cost useful life equals: (Opening Cost + Acquisitions+Retirements)/Total Description Cost Note that the Total Description Costs is the sum of Opening cost + Additions– Retirements. $*Asset\ useful\ life$ Asset class with an indefinite useful life has been excluded from the above calculation.	None Noted
				Actual	NA		NA	**Reason for choosing this useful life** The pipeline defines the useful (economic) life of individual assets in accordance with Australian Accounting Standards and the period over which the pipeline expects to derive economic value from the asset. The estimation of the economic useful life of an asset is a matter of judgement based on the Jemena Group's experience with similar assets and consideration of the specific circumstances relevant to that asset. Additionally, economic useful life of an asset is considered in relation to the life assigned to similar assets within the asset category. Because an asset category contains a significant number of assets that have different useful lives, the useful lives reported in Table 3.3.1 reflect the weighted average of the standard asset lives of the assets included in the relevant asset category.	None Noted

3.4 Asset impairment

A schedule of impairments made to pipeline assets and impairment reversals.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.4.1	Asset Impaired	3.4.1AI	Asset description, Impairment amount $ nominal, Impairment date, Basis for impairment	Actual	NA	SAP	NA	Reviewed the SAP general ledger to identify whether any impairment transactions have been recorded. No Impairment recorded for the current year.	None Noted
3.4.2	Asset Impairment Reversals	3.4.1AIR	Asset description, Prior Impairment amount $ nominal, Impairment date, Basis for impairment, Reversal amount $nominal, Reversal date, Basis for Reversal	Actual	NA	SAP	NA	Reviewed the SAP general ledger to identify whether any reversal of impairment transactions have been recorded.	None Noted

3.5 Depreciation amortisation

A depreciation schedule to show the depreciation calculation for pipeline assets,

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.5.1 3.5.2	Pipeline assets at cost - pipeline assets & Shared assets at cost (less straight-line depreciation)	3.5.1PAAC_C15:Q59 3.5.2SAAC_D66:P84	Description, Category, Acquisition date (provide a range), Useful life, Estimated residual value, Opening Cost Base , Current year additions, Current year capitalised Maintenance or improvements, Current year disposals or Early termination, Adjusted Cost Base, Prior years' accumulated depreciation Current year depreciation, Written Down Value	Actual	NA	SAP FAMR and equipment listing report The SGSPAA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	NA	Downloaded the annual SAP FAMR which lists individual assets. Directly attributable costs are allocated to pipeline through a PM Order which is the lowest level cost collector. PM Order's settle or cascade up to a specific Capex project (WBS) in SAP. Capex WBS settle to the specifically identifiable assets in the SAP FAR. **Category** Each asset was mapped into the relevant categories provided in the AER template drop down list (e.g. Pipeline, Compressor, City Gates etc.) based on: -analysis of the FAMR Asset description & Asset class; -input from engineers and subject matter experts; and -where relevant, analysis of a separate corresponding equipment listing report which contains more detailed information than the FAMR. **Description** The asset description was mapped to the categories in the template except for the following items which were not included in the AER's drop down list of categories: AUC Network, AUC-Intangibles, AUC Non-Network. AUC are assets that are still in the process of being constructed and not yet installed ready for use. Therefore depreciation expense was not yet applied. **Acquisition date (provide a range)** Refer to 'Commission date' explanation for Table 3.3.1 Asset useful life. **Useful life** Refer to 'Useful life' explanation for Table 3.3.1 Asset useful life. **Estimated residual value** The service provider has estimated there to be no residual value for all pipeline assets which is in accordance with its internal Property, Plant and Equipment policy and aligns with AASB 116 Property, Plant and Equipment which recognises that in practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount (AASB 116(53)).	None Noted
								Opening Cost Base, Current Year Additions and Current Years Disposals or Early Terminations, Prior years' accumulated depreciation **Current year depreciation, Written Down Value** The annual SAP FAMR report was generated with asset 'Category' detail overlayed (per 'Category' explanation above') which included separate columns for: -Opening Cost Base -Current Year Additions -Current Years Disposals or Early Terminations -Prior years' accumulated depreciation -Current year depreciation -Written Down Value The pipeline does not depreciate land but does depreciate easements that have a fixed term life. To align with the presentation of information required in Table 3.1.1, the opening cost base in the comparative column has been revised to reflect the opening accumulated depreciation. Current year depreciation has been included in the additions for the current reporting period. **Capitalised Maintenance** The pipeline does not have any capitalised maintenance. Maintenance costs such as day to day servicing including labour, consumables and spare parts are excluded from measurement of an item of PPE in accordance with the SGSPAA Group's PPE policy and AASB 116 (12). **Other depreciable pipeline assets - SGSPAA Group Consolidation support schedule** Contract intangibles and Capitalised interest if any sourced from the SGSPAA Group Consolidation support schedule have been reported within the 'Other depreciable pipeline assets' category.	None Noted

3.6 Shared supporting assets

Provides the basis for allocating shared assets to the pipeline.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.6.1	Shared supporting asset allocation	3.6.1SSAA__C15:G47	Description (list each individual shared asset category greater than 5%), Category of shared assets, Total amount, % allocated to pipeline, Total allocated to pipeline	Actual	NA	SAP – FAMR & project cost download for Shared Assets Capex at the pipeline's level.	None noted	**Description (list each individual shared asset category greater than 5%)** 'Shared asset' category description' in the FAMR were reported in Table 3. 5.2. Interpreted that shared asset category additions during the reporting period were to be disclosed when greater than 5% of Total Shared costs were allocated to the service provider's pipeline. Shared property, plant and equipment – Additions in Table 3.1.1 align to Table 3.6.1 additions. **Category of shared assets** The 'Category of shared assets' was reported as 'Other Shared' based on the nature of the asset additions and referenced to the drop down list of categories in Table 3.5.2. **Total amount** Costs are collected in projects (WBS elements) in SAP based on the activity, on which an employee works or an external supplier provides goods/services. For shared assets the capex costs are collected in a WBS element before allocating the shared asset costs to the relevant pipelines/distribution network assets. EGP aggregates the shared asset additions into the relevant asset classes as per the template. **% allocated to pipeline** The percentage allocated to the pipeline was calculated as: 'Total allocated to the pipeline' divided by the 'Total Amount' Where: -'Total allocated to the pipeline' is defined below; and -''Total Amount' is defined above. **Total allocated to pipeline** Shared Asset additions during the reporting period were aggregated by the 'Asset class description' field in the FAMR. Refer to Table ID 3.1.1 for the explanation of how shared assets were allocated to the pipeline.	None Noted

4. Asset value - Recovered Capital Method (RCM)
The asset valuation statement arising from the application of the Recovered Capital Method.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
4.1	Pipeline assets (RCM)	4.1PARCM_F14:BH14	Pipeline assets: Construction cost (1998-2001) Capital expenditure recorded as being incurred in the years 1998-2001 (inclusive) represents the initial construction cost of the pipeline.	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology) **2001:** This expenditure was incurred prior to Jemena's acquisition of the pipeline. To the best of our knowledge and belief EGP does not have within its possession or control, information that could be used to provide a description of works that were undertaken in 2001. Enquiries were made with previous owners however EGP was unable to obtain a description of the works undertaken in 2001. Based on discussion with the SME the cost should be categorised as a construction cost as there is no evidence of expansion on that year.	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F15:BH15	Pipeline assets: Residual value (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F15:BH15	Pipeline assets: Residual value (2024)	Estimate	Cost have not yet been incurred to decommission the pipeline, therefore an estimate is inherently required to measure future costs. Further the actual timing of decommissioning the pipeline is also uncertain therefore increasing the level of estimation required. Further, the CPI escalation factor and the discount rate inputs are estimates used to inflate for forecast future price increases and then discount to the present value respectively.	Expert Engineering Report Inflation rate: SGSPAA internal 2024 budgeted CPI Discount rate: 5 year average rate for 15 year Australian Government Securities (AGS) bonds	Negative residual value is interpreted as the present value of the forecast decommissioning cost that EGP will pay when the pipeline is removed from service in the future. The expert engineering report is a reasonable basis for estimating the cost to decommission the pipeline. The 5 year average of the 15 year AGS bonds are appropriate to estimate rate of return for present value calculation purposes.	Negative residual value is calculated as: $$PV(Decommissioning)_{\tau_E} = C_{\tau_E} \times \frac{(1+i)^{\tau_D - \tau_E}}{(1+r)^{\tau_D - \tau}}$$ Where: -C_(T_E) is the estimated cost of decommissioning in dollars as at time T_E -T_D is the expected year of decommissioning -i is the estimated inflation rate -r is the estimated discount rate -t is the year of the estimate An expert Engineering report is the basis for estimating the decommissioning cost (C_(T_E)). Phasing of Negative Residual value The year 1 value of the decommissioning cost was reported in year 1. From 2021 onwards, each year's increment negative residual value is calculated as the movement in total negative residual value between that year and the prior year	The estimate is a best estimate because it has been calculated based on the following inputs which are sourced based on best available information: Independent technical engineering estimate of the cost to decommission the pipeline. Discount rate: 5 year average for the 15 year Australian Government Securities (AGS) bond rate. CPI escalation: SGSPAA internal CPI estimate (reasonable when compared with Australian Bureau of Statistics (ABS) rate). The pipeline's decommissioning provision reflects a bottom-up cost estimate of various remediation activities. Consistent with AS2885, the service provider used a risk-based approach to determine a mix of appropriate remediation activities for different equipment/facility types and locations, taking into account factors including expected future land use. Remediation activities include the removal of all above-ground facilities, various remediation treatments for underground pipeline (for example, grouting in higher risk locations such as road/rail/river crossings, and leaving the pipeline in place with controls in lower risk locations) and ground cover remediation/revegetation of easements as appropriate for the surrounding land.
4.1	Pipeline assets (RCM)	4.1PARCM_F16:BH16	Pipeline assets: Additions (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F16:BH16	Pipeline assets: Additions (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	Additions per the FAMR were cash related. All additions are incurred mid-year.	EGP uses SAP to capture costs associated with capital expenditure. A FAMR was downloaded from SAP for each year to identify additions during that year. A check was performed to reconcile FAMR movements with the net change in fixed asset general ledger accounts. **Mid-point Net Capital Expenditure Gross Up** Capex additions and disposals for each year are escalated to a mid-year point to account for the return on capital for capital expenditure incurred during the year. $$Mid\ Point\ Gross\ Capex = Capex \times (1 + RoR\ percentage)^{0.5}$$ The Rate of Return (RoR) percentage input calculation methodology is further below in this table	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F17:BH17	Pipeline assets: Maintenance capitalised (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F17:BH17	Pipeline assets: Maintenance capitalised (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	No data for capitalised maintenance was noted in the review of the FAMR and the relevant SAP Trial Balances. : Maintenance capitalised	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F18:BH18	Pipeline assets: Disposal at cost (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)

4.1	Pipeline assets (RCM)	4.1PARCM_F18:BH18	Pipeline assets: Disposal at cost (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipelines (1) Pty Ltd Jemena Eastern Gas Pipelines (2) Pty Ltd	All disposals are incurred mid-year. Assumed proceeds from sales includes 10% GST on taxable supply applied to the sales amount. Disposal (as cost) has been interpreted to mean cash proceeds from the sales of property, plant and equipment which is the equivalent to the cost paid by the 3rd party which acquired the asset.	Extracted the following item from the FAR: Proceeds from sales of property, plant and equipment. Where there is an amount for Proceeds on sales of property, plant and equipment, GST has been removed by multiplying the proceeds by 10/11. Mid-point Net Capital Expenditure Gross Up Refer to Construction Cost - Mid-point Net Capital Expenditure Gross Up explanation.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F24:BH24	Shared assets: Additions (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F24:BH24	Shared assets: Additions (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	Assets were aggregated by year based on the year within the Capitalisation date (date field). Shared assets were identified based on: analysis of the FAMR Asset description & Asset class; input from engineers and subject matter experts; and where relevant, analysis of a separate corresponding equipment listing report which contains more detailed information than the FAMR. Shared asset additions were aggregated by year based on the year within the field Capitalisation date.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F22:BH23 , 4.1PARCM_F25:BH26	Shared assets: Construction cost or acquisition cost (where allowed) apportioned, Residual value, Maintenance capitalised, Disposal (at cost) (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F22:BH23 , 4.1PARCM_F25:BH26	Shared assets: Construction cost or acquisition cost (where allowed) apportioned, Residual value, Maintenance capitalised, Disposal (at cost) (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	No data for the following items were noted in the review of the SAP FAMR and the relevant SAP Trial Balances: Construction cost or acquisition cost (where allowed) apportioned, Maintenance capitalised Disposal (at cost)	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F31:BH31	Return of capital: Revenue (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F31:BH31	Return of capital: Revenue (2024)	Actual	N/A	SAP Trial Balances of: Jemena Eastern Gas Pipelines (1) Pty Ltd. and Jemena Eastern Gas Pipelines (2) Pty Ltd	The only revenue of the entity was pipeline revenue.	EGP uses its SAP system to capture revenue transactions. A calendar year trial balance was generated from the SAP system and the revenue general ledger accounts were aggregated.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F32:BH32	Return of capital: Operating expenses (1998-2023)	Estimate (2000-2018) and Actual (1999, 2019-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F32:BH32	Return of capital: Operating expenses (2024)	Actual	N/A	SAP Trial Balances of: Jemena Eastern Gas Pipelines (1) Pty Ltd. and Jemena Eastern Gas Pipelines (2) Pty Ltd	No material non-cash items are included in the operating expenditure general ledger accounts reported. Depreciation is the key non-cash item which has been removed.	Extracted and summed the dollar amounts of operating expenditure general ledger accounts from each calendar year's trial balance excluding: Interest Depreciation, and Tax Expense.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F33:BH33	Return of capital: Net tax liabilities (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)

4.1	Pipeline assets (RCM)	4.1PARCM_F33:BH33	Return of capital: Net tax liabilities (2024)	Estimate	EGP is part of a consolidated tax group and does not pay corporate tax as a stand-alone entity. Therefore the net tax liability needs to be estimated.	SAP Trial Balances of : Jemena Eastern Gas Pipeline (1) Pty Ltd, and Jemena Eastern Gas Pipeline (2) Pty Ltd Gamma (imputation credits) has been sourced from the AER's 2022 Rate of Return Instrument.	'Net tax liability' is interpreted as the notional cash tax payable that would be payable if the pipeline was a stand-alone entity less the estimated imputation credits received by the stand-alone entity. When estimating each year's tax depreciation, current year net capex was assumed to be incurred mid-year and therefore only a half year of depreciation was incurred.	The pipeline is part of a consolidated tax group and does not pay corporate tax as a stand-alone entity. Therefore the net tax liability needs to be estimated. The accounting profit and loss has been reviewed to identify material non-cash items that may require adjustment for when estimating the net tax liability cash flow. Net tax liability is calculated as: (Profit/(loss) before interest, tax, depreciation and amortisation Less Estimated tax depreciation Less Estimated interest expense) multiplied by the tax rate (i.e. 30%). Multiplied by (1-Gamma) to consider the tax benefit of the imputation credits. Tax Depreciation sourced from the SAP Fixed Asset Tax Register. Interest expense sourced from SGSP (Australia) Assets Pty Ltd ("SGSPAA") Annual Report segment note calculated as: SGSPAA interest expense multiplied by Pipeline total assets divided by SGSPAA Total Assets. Gamma (imputation credits) have been sources from the AER's RoR instrument for 2022. (57%)	EBITA is the best approach for calculating the cash flows each year and therefore is the most appropriate input into the net tax liability calculation. EBITA has been sourced from actual historic records and therefore has been arrived at on a reasonable basis. The first year of post-acquisition tax depreciation is the most appropriate basis to estimate pre-acquisition tax depreciation because it is based on an actual data source.
4.1	Pipeline assets (RCM)	4.1PARCM_F35:BH35	Return of capital: Return on capital (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F35:BH35	Return of capital: Return on capital (2024)	Estimate	Dependent on rate of return estimates.	Rate of return sources are explained in Item'Return of capital: Return on capital (Rate of return)' (2024) in this table below.	N/A	Return on capital for a given year is estimated as the opening asset value for that year multiplied by the rate of return percentage for that year. The rate of return is explained in Item 'Return of capital: Return on capital (Rate of return)' (2024) in this table below.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	Return of capital: Return on capital (Rate of return) (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	Return of capital: Return on capital (Rate of return) (2024)	Estimate	Consistent with the AER's Pipeline Information Disclosure Guideline requirements	The rate of return is estimated consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines and with reference to the following source inputs: Gearing: SGSPAA Financial Report Balance Sheet and Treasury Report. Cost of debt: SGSPAA Financial Report and Treasury Report. Risk-free rate: RBA Treasury Bonds – Daily – F16 Indicative mid rates of selected Australian Government Securities Equity beta: Estimated from a sample of listed international comparators from OECD countries (0.89) Market Risk Premium (MRP): AER's RoR instrument for 2022 (6.2%)	Gearing The proportion of debt funding to capital is referred to as 'gearing'. EGP applies a percentage reflecting SGSPAA's actual portfolio gearing of the reporting period, consistent with the AER's Pipeline Information Disclosure Guideline. Gamma (Imputation credits) 57% as determined in the AER's 2022 RoR instrument. Cost of debt (pre-tax) Calculated as the SGSPAA actual portfolio cost of debt for the reporting period, consistent with the AER's Pipeline Information Disclosure Guideline. Cost of equity (post-tax) $r_e = r_f + \beta_e(r_m - r_f)$ EGP adopts the methodology consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines.	**<u>Weighted Average Cost of Capital (WACC)</u>** EGP estimates the rate of return as the nominal vanilla WACC. This approach estimates the rate of return as the weighted average of opportunity costs assessed across two sources of capital funding: debt and equity. $WACC^{vanilla} = gearing \times r_d + (1 - gearing) \times r_e$ Where r_d is the cost of debt, and r_e is the cost of equity. Gearing The proportion of debt funding 'gearing' has been sourced consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines using current financial information used in statutory, management and budgeting reporting. Cost of debt Cost of debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt. Cost of equity. The cost of is estimated using the Sharpe-Lintner capital asset pricing model (S-L CAPM). $r_e = r_f + \beta_e(r_m - r_f)$ where: r_e is the cost of equity; r_f is the risk free rate; $r_m - r_f$ is the Market Risk Premium (**MRP**); and β_e is the equity beta.	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting. The data inputs into the WACC have been sourced from published AER accepted sources aligning to Part 10 consistent with the AER's Pipeline Information Disclosure Guidelines
								<u>Equity beta:</u> Estimated from a sample of listed international comparators from OECD countries with the following criteria: be in all three of: (1) Bloomberg Industry Classification (BICs): Gas Distribution or Midstream Oil and Gas (2) MSCI and S&P Dow Jones Indices Global Industry Classification (GICs): Gas Utilities or Oil and Gas transport (3) FTSE Russell Industry Classification Benchmark (ICB): Gas distribution or Pipeline –have an investment grade credit rating from S&P, Moody's or Fitch –with liquidity (bid-ask-spread) of less than 0.5% –has gearing greater than 0% **<u>Risk-free rate:</u>** Estimated shortly prior to the commencement of the year for which the rate of return is being set. This is estimated by reference to 10-year RBA Treasury Bonds for a 10-day period from 20 October 2023 to 2 November 2023	
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	For information: Rate of return (WACC) (1998-2024)	Estimate	Impact of Rate of return components.	Items 'Return of capital: Return on capital'(2024) in this table above.	N/A	**<u>Rate of return (WACC)</u>** = Return on capital in row 35 of the template / Opening asset value in row 38 of the template Where the opening or closing asset value (excluding negative residual value) is zero, we report N/A	N/A

4.1	Pipeline assets (RCM)	N/A	Additional comments	N/A	N/A	N/A	N/A	N/A	The depreciated book value method and recovered capital method are fundamentally different methodologies and should generally be expected to result in different asset values. The depreciated book value method reflects depreciation applied in accordance with applicable accounting standards and a standard asset life, whereas the recovered capital method determines return of capital (depreciation) by considering the revenue generated and costs associated including operating expenses, net tax liabilities, and return on capital. As described above, under the RCM, pipeline asset additions are subject to a mid-point net capital expenditure gross up, while this adjustment is not made to additions reported under the DBVM. Additionally, the RCM considers the construction costs as incurred, whereas the DBVM may also consider other costs associated with the purchase of the pipeline.

4.1 Pipeline capital expenditure

Capital expenditure greater than 5% of construction cost, historical expansions/extensions and any planned expansions/extensions that have advanced to "Final Investment Decision" stage.

Table ID	Table Name	BoP ID	Item Name	Estimated /Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
4.1.1	Capital expenditure greater than 5% of construction cost	4.1.1CEGTOCC_D15:E41	Description of works, Date recognised, Expenditure ($ nominal)	Actual	N/A	SAP	Capital expenditure recorded as being incurred in the years 1998-2001 (inclusive) represents the initial construction cost of the pipeline.	The service provider analysed the underpinning data for the RCM template and with a view to identifying any projects where capex was greater than 5% of the construction cost across the years. **Actual** The service provider extracted Description of works, Date recognised and Expenditure ($ nominal) from the SAP FAMR, SAP WBS elements cost download.	None Noted
4.1.2	Historical expansions and extensions	4.1.2HEAE_C47:E73	Description of works, Date recognised, Expenditure ($ nominal)	Actual	N/A	SAP FAMR	N/A	The service provider analysed the underpinning data for the RCM template to identify any projects where there was capital expenditure incurred for historical expansions and extensions. Reviewed the SAP FAMR and identified high value assets additions. Reviewed the high value asset additions and extracted the following data: Asset description, date capitalised and asset cost base. Reviewed the high value assets items with SME to confirm that the data extracted from the SAP FAMR aligned with SME knowledge of historic expansions and extensions To ascertain the technical details of the expansion and extension projects of the EGP, the service provider referred to information including its fixed asset register, relevant design basis documents, asset management plans, and engineering estimates of asset capacity that are in the service provider's possession, as well as internal business SMEs. Mila Compressor station increased capacity on the EGP by 54 TJ/day. The compressor was commissioned on July 2008. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. 4th Compressor at Longford. This additional compressor at Longford provided a dedicated compressor (compressor 3) for the TGP, providing 100 TJ/day for the TGP. By allowing the other 3 compressor (1, 2, 4) at Longford to solely deliver compression on the EGP. The compressor was commissioned on April 2010. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1 The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1.	None Noted
								The Wilton pipeline interconnect is a short lateral between the EGP and the APA Group/Jemena Gas Network station at Wilton with a connection into both the APA side (upstream of the Short-Term Trading Market) and JGN side. The lateral has capacity of 150 TJ/day and was commissioned on January 2016. Direct capital expenditure associated with this project is set out in the reporting template Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1. The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. Midline compressor project built two compressors on the EGP at East Gippsland and Michelago. The project includes 2 compressor units plus an upgrade to the Horsley Park meter station. The project increased capacity on the EGP by 60TJ/day and was commissioned on January 2016. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1.The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. The Port Kembla Energy Terminal Lateral connects the Squadrons import terminal at Port Kembla to the EGP at Kembla Grange. The lateral is 7.8 Km in length and the project included an upgrade to Jemena's existing Kembla Grange facility to include a metering station. It was mechanically completed in November 2023 and has an estimated nameplate rating of 522 TJ/day. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1.The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1	None Noted
4.1.3	Planned expansions and extensions of capacity	4.1.3.PEAEOC	Description of the matter Proposed commissioning date, or a range of dates Expected end date, or a range of dates Facility's proposed nameplate rating, or the estimated likely range during affected period Proposed expenditure (if available, required for publicly announced expansions)	Actual	N/A		N/A	Planned expansions and includes only those projects for which a Financial Investment Decision (FID) has been taken by the end of the current reporting period. Detail for new projects (description, proposed commissioning dates, proposed nameplate rating, proposed expenditure etc.) was provided by relevant SMEs. The pipeline had no planned expansions and/or extensions as at the end of the current reporting period which had passed Financial Investment Decision (FID). Confirmation obtained from commercial team that there are no major planned expansions and extensions of capacity.	None Noted

5. Historical demand Information on the amount of capacity that was contracted in each financial year and the amount of capacity that was actually used in each financial year.									
Table ID	**Table Name**	**BoP ID**	**Item Name**	**Estimated/Actual**	**Why Estimated**	**Source**	**Assumptions**	**Methodology**	**Additional Comments**
5.1	Historical Demand Information	NA	Historical demand information	NA	NA	NA	NA	NA	None Noted
5.2	Demand by pipeline service	N/A	Contracted MDQ: TJ/day	Actual	NA	PypIT	NA	A daily Contracted MDQ report by PID service category (e.g. Firm forward) was downloaded from PypIT for each day in the reporting period. Values shown are the average of contracted MDQ for each day in the reporting period. Note that only service types which constitute 'contracted capacity' as defined in Part 25 of the National Gas Rules are considered within the calculation of contracted MDQ The average service category Contracted MDQ equals sum of each service categories contracted volumes for each day the reporting period divided by the number of days in the reporting period.	None Noted
5.3	Daily demand	N/A	Contracted firm capacity-transportation Contracted firm capacity-storage Utilised capacity Pipeline nameplate capacity	Actual	NA	PypIT	NA	Daily demand information has been extracted from PypIT. Separate daily Contracted MDQ reports by service category (e.g. Firm forward) were downloaded from PypIT for each day in the reporting period. The reports utilised a PypIT field attached to each service which flags whether a service constitutes 'contracted capacity' (as defined in Part 25 of the National Gas Rules). **Contracted firm capacity – transportation** The contracted firm capacity (transportation) per day was calculated as the sum of daily contracted MDQ of each contracted firm active transportation service. **Contracted firm capacity – storage** The contracted firm capacity (storage) per day was calculated as the sum of daily contracted MDQ of each contracted firm storage service (i.e. Premium Park service). **Utilised capacity** A PypIT daily reconciliation report was downloaded from PypIT. The daily utilised capacity is calculated as the sum of deliveries for the day plus, net volumes of gas held within park and park and loan services. **Pipeline nameplate capacity** The pipeline nameplate capacity is sourced from the business' pipeline capacity engineering records. Where a pipeline has more than one nameplate rating, the sum of each nameplate rating is displayed in the template.	None Noted

6. Pricing template

Provide a process or mechanism by which users and prospective users can transform the financial and historical demand information published by service providers into one or more cost-based pricing benchmarks.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
6.1	Inputs	N/A	Asset allocation to pipeline service %	Estimate	Assets are not allocated a pipeline service	Table 2.2.1 Direct revenue line items		Asset allocation to pipeline service Allocator: Ratio of the Direct revenue line item and Total Direct Revenue (excluding customer contributions). Refer to BoP for Table 2.2.2for Direct Expenses Service allocation percentage details. Allocator justification: The allocator is the most appropriate because there is no direct link between the assets and any individual category of service. Hence allocation on the basis of revenue is most appropriate.	None Noted
6.1	AER Input	N/A	AER inputs: Average regulatory return on debt	Actual	N/A	The Average regulatory return on debt is calculated with reference to the following source inputs: SGSPAA Financial Report interest expenses and interest bearing liabilities.	Calculated as the SGSPAA actual portfolio cost of debt for the reporting period.	Average regulatory return on debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt for the year ended 31 December 2024.	N/A
6.1	AER Input	N/A	AER inputs: Gearing	Actual	N/A	Gearing: SGSPAA Financial Report Balance Sheet as at 31 December 2024.	The proportion of debt funding to capital is referred to as 'gearing'. A percentage reflecting SGSPAA's actual gearing of the reporting period is applied.	The proportion of debt funding 'gearing' has been sourced based on guidance from Part 10 guidance using current financial information used in statutory, management and budgeting reporting.	N/A
6.1	AER Input	N/A	AER inputs: Statutory tax rate	Actual	N/A	Statutory tax rate has been sourced from the ATO.	N/A	Statutory tax rate has been sourced from the ATO. (30%)	N/A
6.1	AER Input	N/A	AER inputs: Gamma	Actual	N/A	Gamma (imputation credits) have been sourced from the AER's 2022 Rate of Return Instrument.	N/A	Gamma (imputation credits) have been sourced from the AER's RoR instrument for 2022. (57%)	N/A
6.1	AER Input	N/A	AER inputs: Average regulatory rate of return	Estimate	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting.	The rate of return is estimated with reference to the following source inputs: Gearing: Gearing: SGSPAA Financial Report Balance Sheet as at 31 December 2024. Cost of debt: Cost of debt: SGSPAA Financial Report interest expenses and interest bearing liabilities as at 31 December 2024. Risk-free rate: RBA Treasury Bonds – Daily – F16 Indicative mid rates of selected Australian Government Securities Equity beta: Estimated from a sample of listed international comparators from OECD countries (0.89) Market Risk Premium (MRP): AER's RoR instrument for 2022 (6.2%)	Gearing The proportion of debt funding to capital is referred to as 'gearing'. The pipeline applies a percentage reflecting SGSPAA's actual gearing of the reporting year. Gamma (Imputation credits) 57% as determined in the AER's 2022 RoR instrument. Cost of debt Calculated as the SGSPAA actual portfolio cost of debt for the reporting year. Cost of equity $r_e = r_f + \beta_e(r_m - r_f)$ The pipeline adopts the methodology provided by the AER's 2022 RoR instrument.	Weighted Average Cost of Capital (WACC) The pipeline estimates the rate of return as the nominal vanilla WACC. This approach estimates the rate of return as the weighted average of opportunity costs assessed across two sources of capital funding: debt and equity. $WACC^{vanilla} = gearing \times r_d + (1 - gearing) \times r_e$ Where r_d is the cost of debt, and r_e is the cost of equity. Gearing The proportion of debt funding 'gearing' has been sourced based on guidance from Part 10 guidance using current financial information used in statutory, management and budgeting reporting. Cost of debt Cost of debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt at 31 December 2024. Cost of equity. The cost of equity for each year since the construction of the The pipeline is estimated using the Sharpe-Lintner capital asset pricing model (S-L CAPM). $r_e = r_f + \beta_e(r_m - r_f)$ where: r_e is the cost of equity; r_f is the risk free rate; $r_m - r_f$ is the Market Risk Premium (**MRP**); and β_e is the equity beta. **Equity beta:** Estimated from a sample of listed international comparators from OECD countries with the following criteria: be in all three of: (1) Bloomberg Industry Classification (BICs): Gas Distribution or Midstream Oil and Gas (2) MSCI and S&P Dow Jones Indices Global Industry Classification (GICs): Gas Utilities or Oil and Gas transport (3) FTSE Russell Industry Classification Benchmark (ICB): Gas distribution or Pipeline have an investment grade credit rating from S&P, Moody's or Fitch with liquidity (bid-ask-spread) of less than 0.5% has gearing greater than 0% **Risk-free rate:** Estimated shortly prior to the commencement of the year for which the rate of return is being set. This is estimated by reference to 10-year RBA Treasury Bonds for a 10-day period from 20 October 2023 to 2 November 2023.	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting. The data inputs into the WACC have been sourced from published AER accepted sources aligning to Part 10 Pipeline information disclosure guidelines and Price reporting guidelines and therefore is a best estimate which has been arrived at on a reasonable basis.

Independent Auditor's Review Report

To the Directors of the entities which comprise the Eastern Gas Pipeline Service Provider

Conclusion

We have reviewed the Financial Information of the Eastern Gas Pipeline Service Provider (Service Provider).

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Financial Information within the Part 10 Financial Reporting Templates (Templates) for the year ended 31 December 2024 is not presented fairly, in all material respects, in accordance with the Pipeline Information Disclosure Guidelines and Price Reporting Guidelines for Part 18A Facilities issued by the Australian Energy Regulator (AER) on 27 October 2023 (Guideline) and the Basis of Preparation as prescribed by the Guideline.

The Financial Information comprises of the information within tables 4.1, 4.1.1, 4.1.2, 4.1.3 and 4.2 of the Part 10 Financial Reporting Templates for the year ended 31 December 2024 (Reporting Templates).

The Eastern Gas Pipeline Service Provider comprises the following entities:

- Jemena Eastern Gas Pipeline (1) Pty Ltd
- Jemena Eastern Gas Pipeline (2) Pty Ltd

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to the Basis of Preparation attached to the Reporting Templates which describes the methodologies, assumptions and judgements made by management in preparing the Financial Information.

The Financial Information presented in the Part 10 Financial Reporting Templates has been prepared to assist the Directors of the entities which comprise the Service Provider to meet their reporting requirements under the Guideline. As a result, the Financial Information presented in the Part 10 Financial Reporting Templates and this Independent Auditor's Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of the entities which comprise the Service Provider and the AER, who will receive a copy of our report and should not be used by or distributed to parties other than the Directors of the entities which comprise the Service Provider and the AER. We disclaim any assumption of responsibility for any reliance on our report, or on the Reporting Templates to which it relates, to any person other than the Directors of the entities which comprise the Service Provider and the AER or for any other purpose than that for which it was prepared.

Responsibilities of the Directors and Management for the Financial Information

Management of the Service Provider are responsible for:

- the preparation of the Financial Information presented in the Part 10 Financial Reporting Templates in accordance with the requirements of the Guideline and have determined that the basis of preparation attached to the Templates is appropriate to meet the needs of the directors of the entities which comprise the Service Provider.
- such internal control as Management determine is necessary to enable the preparation of the Financial Information presented in the Part 10 Financial Reporting Templates that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's responsibility for the review of the Financial Information in the Templates

Our responsibility is to express a conclusion on the accompanying Financial Information in the Part 10 Financial Reporting Templates.

We conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* in order to conclude whether anything has come to our attention that causes us to believe that the Financial Information presented in the Part 10 Financial Reporting Templates, is not prepared in all material respects in accordance with the requirements of the Guidelines and the Basis of Preparation. This Standard also requires us to comply with relevant ethical requirements.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Glenn Austin
Partner
Melbourne
27 June 2025

Contents

Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024
Asset value - Recovered Capital Method (RCM)

This template is for a non-indexed asset value based on original construction costs and "depreciation" based on a notional cash-flow based "return of capital" approach, for non-scheme pipelines.

Table 4.1: Pipeline assets (RCM)

Basis of Preparation ID	Asset description		Total	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	Pipeline assets													
4.1PARCM_F14:BH14		Construction cost	487,404,066	42,258,103	151,358,465	245,739,314	48,048,183	-	-	-	-	-	-	-
4.1PARCM_F15:BH15		Residual Value	26,705,029	18,641,986	415,437	424,695	434,159	443,834	453,725	463,836	474,173	484,740	495,542	506,585
4.1PARCM_F16:BH16		Additions	354,893,704	-	-	-	-	3,630,506	1,680,182	563,244	2,692,612	532,346	17,086,560	30,938,830
4.1PARCM_F17:BH17		Maintenance capitalised	-	-	-	-	-	-	-	-	-	-	-	-
4.1PARCM_F18:BH18		Disposal (at cost)	(1,907,310)	-	-	-	(39,899)	-	(10,496)	-	-	-	(1,816,160)	-
		Leased Asset	-	-	-	-	-	-	-	-	-	-	-	-
		Pipeline assets cost base	867,095,489	**60,900,089**	**151,773,902**	**246,164,009**	**48,442,443**	**4,074,340**	**2,123,411**	**1,027,081**	**3,166,785**	**1,017,086**	**15,765,943**	**31,445,416**
	Shared assets													
4.1PARCM_F22:BH22		Construction cost or acquisition cost (where allowed) apportioned	-	-	-	-	-	-	-	-	-	-	-	-
4.1PARCM_F23:BH23		Residual Value	-	-	-	-	-	-	-	-	-	-	-	-
4.1PARCM_F24:BH24		Additions	22,998,130	-	32,777	61,486	-	-	-	-	-	-	1,049	354,000
4.1PARCM_F25:BH25		Maintenance capitalised	-	-	-	-	-	-	-	-	-	-	-	-
4.1PARCM_F26:BH26		Disposal (at cost)	-	-	-	-	-	-	-	-	-	-	-	-
		Leased Asset	-	-	-	-	-	-	-	-	-	-	-	-
		Shared assets cost base	22,998,130	**-**	**32,777**	**61,486**	**-**	**-**	**-**	**-**	**-**	**-**	**1,049**	**354,000**
		Total assets	890,093,619	60,900,089	151,806,679	246,225,494	48,442,443	4,074,340	2,123,411	1,027,081	3,166,785	1,017,086	15,766,992	31,799,416
	Return of capital													
4.1PARCM_F31:BH31		Revenue	2,632,155,717	-	-	7,781,205	34,510,000	37,094,545	45,249,091	55,417,273	62,939,091	60,193,636	77,845,941	106,500,516
4.1PARCM_F32:BH32		Operating expenses	(564,579,776)	-	(5,017)	(4,490,476)	(18,640,133)	(25,019,646)	(30,626,753)	(26,347,020)	(13,459,330)	(23,007,121)	(15,700,840)	(19,319,852)
4.1PARCM_F33:BH33		Net tax liabilities	(245,735,590)	-	-	-	-	-	-	-	-	-	-	-
		Leased Asset Interest/Financing Charge	-	-	-	-	-	-	-	-	-	-	-	-
4.1PARCM_F35:BH35		Return on capital	(1,558,498,003)	-	(4,369,200)	(20,430,234)	(47,225,547)	(55,557,280)	(59,714,146)	(64,444,550)	(67,548,846)	(69,504,581)	(73,048,193)	(76,879,310)
		Total Return of Capital	263,342,349	-	**(4,374,217)**	**(17,139,506)**	**(31,355,680)**	**(43,482,381)**	**(45,091,808)**	**(35,374,298)**	**(18,069,086)**	**(32,318,066)**	**(10,903,092)**	**10,301,354**
		Recovered capital method total asset value	626,751,270	**60,900,089**	**156,180,896**	**263,365,000**	**79,798,123**	**47,556,721**	**47,215,219**	**36,401,378**	**21,235,871**	**33,335,152**	**26,670,084**	**21,498,062**
4.1PARCM_F38:BH38	For information	Opening asset value			60,900,089	217,080,986	480,445,986	560,244,109	607,800,830	655,016,049	691,417,427	712,653,298	745,988,450	772,658,534
4.1PARCM_F39:BH39	For information	Rate of return (WACC)		N/A	7%	9%	10%	10%	10%	10%	10%	10%	10%	10%

Table 4.2: Pipeline details

Construction date	30/06/1998

Year																
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
517,875	529,416	541,214	553,275	565,604	578,209	591,094	604,267	617,733	631,499	645,572	659,958	4,811,425	5,611,642	(6,047,745)	(7,944,719)
14,253,096	17,473,564	888,160	3,445,583	5,512,391	30,045,839	95,117,909	9,531,425	6,212,603	4,199,821	2,114,425	4,625,049	12,273,499	27,287,573	53,953,673	10,834,811
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(17,731)	(9,766)	-	-	(3,321)	-	(9,937)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14,770,970	**18,002,979**	**1,429,374**	**3,998,858**	**6,077,995**	**30,624,048**	**95,709,003**	**10,135,692**	**6,830,336**	**4,813,590**	**2,750,232**	**5,285,008**	**17,084,924**	**32,895,893**	**47,905,928**	**2,880,155**
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,021,105	2,825	1,530,279	2,855,469	229,471	597,655	828,826	3,588,350	739,306	882,175	1,001,836	2,071,813	1,308,279	1,946,185	2,256,189	1,689,054
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,021,105	**2,825**	**1,530,279**	**2,855,469**	**229,471**	**597,655**	**828,826**	**3,588,350**	**739,306**	**882,175**	**1,001,836**	**2,071,813**	**1,308,279**	**1,946,185**	**2,256,189**	**1,689,054**
15,792,075	18,005,804	2,959,653	6,854,327	6,307,466	31,221,703	96,537,830	13,724,041	7,569,642	5,695,765	3,752,067	7,356,820	18,393,203	34,842,078	50,162,117	4,569,209
96,256,346	109,054,382	111,601,287	121,069,674	128,350,458	131,455,666	134,442,551	156,149,611	164,648,880	143,065,603	141,583,269	142,501,826	137,703,206	153,892,322	124,578,879	148,270,459
(16,341,941)	(19,123,563)	(26,686,587)	(27,989,736)	(25,107,558)	(22,227,674)	(21,211,763)	(21,698,665)	(23,953,093)	(33,719,979)	(30,191,705)	(25,145,856)	(21,866,861)	(23,164,116)	(23,243,840)	(26,290,649)
(1,241,248)	(10,003,035)	(9,248,475)	(9,031,497)	(15,529,604)	(16,393,421)	(19,332,535)	(22,954,613)	(24,794,412)	(16,591,395)	(17,172,441)	(18,326,419)	(18,080,381)	(23,807,720)	(13,762,607)	(9,465,787)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(79,094,240)	(80,766,919)	(82,499,395)	(82,064,147)	(82,399,193)	(80,300,276)	(63,281,380)	(66,862,253)	(64,194,311)	(57,673,896)	(52,051,074)	(45,710,670)	(42,761,376)	(44,848,429)	(44,817,038)	(50,451,517)
(421,083)	**(839,135)**	**(6,833,170)**	**1,984,293**	**5,314,102**	**12,534,295**	**30,616,872**	**44,634,080**	**51,707,064**	**35,080,333**	**42,168,049**	**53,318,882**	**54,994,589**	**62,072,056**	**42,755,395**	**62,062,506**
16,213,159	**18,844,939**	**9,792,823**	**4,870,033**	**993,364**	**18,687,408**	**65,920,958**	**(30,910,039)**	**(44,137,421)**	**(29,384,568)**	**(38,415,982)**	**(45,962,062)**	**(36,601,386)**	**(27,229,978)**	**7,406,723**	**(57,493,297)**
794,156,596	810,369,755	829,214,694	839,007,516	843,877,550	844,870,914	863,558,322	929,479,280	898,569,241	854,431,820	825,047,252	786,631,270	740,669,208	704,067,822	676,837,844	684,244,567
10%	10%	10%	10%	10%	10%	7%	7%	7%	7%	6%	6%	6%	6%	7%	7%

Contents

Part 10 Financial Reporting

Eastern Gas Pipeline (1) Pty Ltd
Eastern Gas Pipeline (2) Pty Ltd

Year ending 31/12/2024

Pipeline capital expenditure

Please report all historical expansions/extensions in table 4.1.2, regardless of value.
Please ensure all extensions/expansions in the next 12 months that have advanced to the "Final Investment Decision" stage are comprehensively reported in table 4.1.3.

Table 4.1.1: Capital expenditure greater than 5% of construction cost

Basis of Preparation ID	Description of works	Date recognised	Expenditure ($ nominal)
4.1.1CEGTOCC_D15:E41	Port Kembla Energy Terminal Lateral	Various dates during calendar 2021/2024	71,320,696
4.1.1CEGTOCC_D15:E41	Midline compressor project	Various dates during calendar 2014/2015	87,616,494
Total expenditure			158,937,190

Table 4.1.2: Historical expansions and extensions

Basis of Preparation ID	Description of works	Date recognised	Expenditure ($ nominal)
4.1.2HEAE_C47:E73	Port Kembla Energy Terminal Lateral	Various dates during calendar 2021/2024	71,320,696
4.1.2HEAE_C47:E73	Midline compressor project	Various dates during calendar 2014/2015	87,616,494
4.1.2HEAE_C47:E73	Wilton pipeline interconnect construction	Various dates during calendar 2014	21,460,379
4.1.2HEAE_C47:E73	Mila Compressor Station Construction	Various dates during calendar 2008	19,224,865
4.1.2HEAE_C47:E73	Longford Compressior Station Unit #4 Construction	Various dates during calendar 2008	7,097,041
Total expenditure			206,719,474

Table 4.1.3: Planned expansions and extensions of capacity

Basis of Preparation ID	Description of the matter	Proposed commissioning date, or a range of dates	Expected end date, or a range of dates	Facility's proposed nameplate rating, or the estimated likely range during affected period	Proposed expenditure (if available, required for publicly announced expansions)
				GJ/day	$ nominal
Total proposed expenditure					-

The Australian Energy Regulator (AER) issued Pipeline Information Disclosure Guidelines (the Guideline) in October 2023 under Part 10 of the National Gas Rules. This guideline requires service providers to publish certain financial information in relation to pipelines.

This Basis of Preparation relates to the information reported for the Eastern Gas Pipeline (the pipeline) for the reporting period 1 January to 31 December 2024 (reporting period). Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd (collectively, service providers) are the service providers for the pipeline. For the purposes of section 1.7 of the Guideline, the members of the service provider group have appointed Jemena Eastern Gas Pipeline (1) Pty Ltd as the responsible service provider for the purposes of publishing the information.

The Eastern Gas Pipeline is a non-scheme pipeline under the National Gas Law.

To apply the guideline we have adopted the following general interpretations:

•Acquisition costs and associated dates (mainly in the Recovered Capital Method (RCM) template) are determined by reference to the ownership of the pipeline by the Jemena Group. This means for instance that acquisition of the pipeline occurred on 1 Aug 2007 when the Jemena Group acquired the pipeline.

•Actual information includes information calculated directly from information contained in Jemena Group's systems and other records whose presentation is not dependent on material judgement. Estimated information is anything other than actual information.

•To meet the requirements of the Guideline when compiling the RCM valuation (section 4.1) the service providers undertook all reasonable steps to obtain historical information where this was not already available to the Jemena Group. These steps are further explained in the RCM section of this basis of preparation.

The rest of this basis of preparation document explains how we have populated each of the templates required by the Guideline, including by identifying where estimated data was used when actual data was not available.

1. Pipeline information

Service providers are required to report the details of the pipeline, pipeline services provided and whether these services are provided to related parties and non-related parties.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
1.1	Pipeline details	N/A - No BoP Reference cells in the AER template	Pipeline Location and Length Number of Customers Service Type Pipeline Nameplate Capacity Construction Date	Actual	NA	**Pipeline Location and Length** GIS **Number of Customers** PypIT **Service Type** AEMC's gas pipeline register **Pipeline Nameplate Capacity** Refer to basis of preparation for Table 5.3. **Construction Date** 30th June 1998	NA	**Pipeline Location and Length** The pipeline lengths are calculated in the Geographic Information System (GIS) by summing the geometric lengths of the pipeline and all its laterals. Pipeline Map Link: 599-egp-ma-pl-014-supply-area-map-rev-4.pdf (jemena.com.au) **Number of Customers** Number of contracted customers are calculated by running a PypIT invoice summary report and pivoting this for the number of customers in the period. PypIT is the billing/invoicing system used by the pipeline. PypIT records customer contract information and provides customer volumes and revenue data by service type. **Service Type** As per AEMC's gas pipeline register of pipeline classification under the National Gas Law: https://www.aemc.gov.au/energy-system/gas/gas-pipeline-register **Pipeline Nameplate Capacity** Refer to basis of preparation for Table 5.3. **Construction Date** Construction date is interpreted as the mid-point of the year when construction commenced.	None Noted
1.2	Pipeline services provided	N/A - No BoP Reference cells in the template	Pipeline services provided	Actual	NA	PypIT	NA	Based on current service offerings as described below. **Service description** A Commercial Operations SME reviewed all services provided and made available to customers during the reporting period based on which the template was populated. **Provided to non-related parties** All services were provided to non-related parties based on a review of the PypIT customer listing and relevant supporting contracts. **Provided to related parties** No services were provided to related parties.	Other pipeline services provided This includes Day Ahead Auction revenue.

2. Revenue and expenses

An overview of the revenue generated from pipeline operations and the costs associated with the pipeline, published by pipeline services.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.1	Statement of pipeline revenue and expenses by service	NA	NA	NA	NA	NA	NA	NA	NA

2.1 Profit & Loss statement by components

An overview of the revenue generated from pipeline operations and the costs associated with the pipeline, published by P&L components.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D13:I22	Description: Direct revenue by pipeline	Actual	N/A	PypIT and SAP	None noted	**Amount excluding related party transactions:** **Total service revenue** Refer to Table ID 2.2.1, which includes an explanation of how revenue is allocated to 'Description' categories. **Customer Contributions revenue** None **Government Contributions revenue** None **Profit from sale of fixed assets & Other direct revenue** Items reported in this description category based on review of the SAP general ledger extract. **Other indirect revenue** None **Reporting period – Amounts excluding related party transactions** No related party revenue transactions were noted in the review of the SAP ledger transactions and the supporting customer artefacts, therefore all revenue has been reported within the 'Amount excluding related party transactions' column.	None Noted
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24:I45	Description: Direct expenses by pipeline Shared expenses by pipeline	Actual	N/A	SAP	None noted	The pipeline uses an Enterprise Resource Planning (ERP) system (SAP) to record its financial transactions. Costs are collected in planned maintenance orders (PMO) that cascade up to projects (WBS elements) in SAP based on the activity, on which an employee works or where an external supplier provides goods/services. Reporting tools (BI and Analysis for Office) are used to download the operating expenditure costs from SAP. The data is aggregated by WBS element and general ledger account code (cost element) and mapped into the relevant cost category of the template. **Related party and non-related party** The majority of costs that the service provider incurs are sourced from a related entity, Jemena Asset Management Pty Ltd (JAM). JAM records costs that are attributable to the service provider and uses SAP functionality to transfer such costs at zero margin to the service provider. These costs are reported in the 'related party transactions' column. **Direct costs and Shared costs** Direct and shared cost classification is based upon the activity/service category codes included as part of the WBS element structure for each project. An activity/service mapping table is used to map activities into relevant cost categories: -Direct Costs: For example, Commercial Management (customers and markets, strategy and market development, project development), Business Operations (integrated business performance, operations excellence, control room monitoring, commercial support), Asset management (asset investment, plant performance, planning & assessment, information & maintenance support), Service Delivery (construction, maintenance and faults, metering, emergency response). -Directly attributable costs are allocated to pipeline through a PM Order which is the lowest level cost collector. PM Order's settle or cascade up to a specific project (WBS) in SAP. -Shared Costs: Enterprise Support Functions (For example, executive management, finance, legal, human resources, information technology (IT) etc.). Note: Shared costs flow into Table 2.1.1 from Table 2.5.1 Shared cost allocation.	None Noted
								Mapping Opex into the template 'Description' categories The cost element description field from costs within the pipeline was used to map into the template's categories (e.g. 'wages', 'other direct costs', 'employee costs', 'indirect operating expenses', etc.). The pipeline has interpreted direct wages as the payroll costs of staff who are not enterprise support functions. The pipeline's shared employee costs are the allocated payroll costs of enterprise support function staff such as finance, legal, people, safety and environment. Where project descriptions and activity/service category codes support classification within a more specific category then the cost element-based mapping was overridden . The following description categories were populated based on project description/activity code mapping: -Information technology and communication costs -Rental and leasing costs -Repairs and maintenance -Leasing and rental costs Note: Insurance costs are included in the enterprise support costs as these are shared across the Jemena Group, therefore a $nil value has been reported for Direct Insurance costs. **Earnings before Interest and tax (EBIT)** Non-input cell.	None Noted
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24:I45	Description: Depreciation (Direct expenses by pipeline) Shared asset depreciation (Shared expenses allocated to pipeline)	Actual	N/A	SAP – Fixed Asset Movement Report (FAMR) and Equipment Register The SGSP (Australia) Assets Pty Ltd (SGSPAA) Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	None noted	**SAP FAMR** Depreciation expense was extracted from the annual SAP FAMR. **SGSPAA Group Consolidation supporting schedule** Depreciation expense was extracted from the SGSPAA Group Consolidation supporting schedule for pipeline assets not included in the SAP FAMR. Total depreciation was classified between direct depreciation and shared asset depreciation based on the mapping of the individual assets in the FAMR applied in Table 3.5.1 Depreciation. **Reporting period – Amounts excluding related party transactions** All depreciation expenses are recorded directly within the Pipeline and are not transferred from a related party entity and therefore are reported in the 'Amounts excluding related party transactions' column.	None Noted

2.2 Allocation to pipeline services
A breakdown of revenue and expanses by each pipeline services.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.2.1	Revenue by service	2.2.1RBS_D13:K23	Direct Revenue (excl. capital contributions)	Actual	N/A	PypIT and SAP	N/A	**Allocation to pipeline service & -Amount excluding related party transactions** **Allocator and Allocator justification:** Each PypIT Revenue Service ID is directly attributable to a specific category of Direct Revenue based on the contract details contained in PypIT and an assessment of the nature of the service provided. Each direct revenue line item's Allocation of Pipeline Service (%) is calculated as the revenue amount ($) per line item divided by the Total direct revenue amount ($). **Allocator justification:** Numeric quantities of allocators are displayed in the reporting template. **Non-PypIT Revenue (SAP)** SAP revenue items that are not sourced from PypIT do not relate to any of the standard categories shown in the template and are reported in the 'Other' Direct revenue category based on analysis of supporting SAP journal records. Other Direct revenue includes miscellaneous revenue items such as imbalance charges, odorization charges, Day Ahead Auction revenue and maintenance service contracts. **Reporting period – Amounts excluding related party transactions** Based on a review of PypIT customer records and SAP supporting records, the pipeline did not have any direct revenue sourced from related parties, therefore all revenue has been reported within the 'Amount excluding related party transactions' column.	None Noted
2.2.1	Revenue by service	2.2.1RBS_D25:K35	Capital Contributions	Actual	N/A	SAP	N/A	**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Capital contributions were sourced from the pipeline's SAP general ledger and allocated to the 'Description' revenue categories based on the Direct Revenue allocator. **Allocator justification**: The Direct revenue allocator was the most appropriate for Capital Contributions where capital contributions are not attributable to a specific revenue category i.e. Customers who make capital contributions may use multiple services. In terms of allocation to services where the intention of the connection was unclear at the time of the capital works agreement subsequent revenue for that connection point was used as a basis to allocate to the different service types. Numeric quantities of allocators are displayed in the reporting template. **Reporting period -Related party transactions** Based on a review of SAP supporting records, the pipeline did not have any Capital Contributions sourced from related parties.	None Noted
2.2.1	Revenue by service	2.2.1RBS_D37:K49	Indirect revenue allocated	Actual	N/A	SAP	N/A	No indirect revenue was reported as no indirect revenue was allocated to the pipeline during the reporting period as such amounts would have been recorded in the pipeline's SAP general ledger.	None Noted
2.2.2	Expenses by service	2.2.2EBS_D56:K66 2.2.2EBS_D80:K91	Total direct expenses (excl. depreciation) Total shared expenses (excl. depreciation)	Actual (except for allocation to pipeline services)	Direct expenses and Shared expenses are not directly attributed in SAP into a specific Direct revenue category	Direct revenue line items	Expenses have been allocated using revenue as an allocator.	**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Expenses were allocated to the 'Description' categories based on the Direct Revenue allocator. Allocation of Pipeline Service (%) calculated as Total direct expenses / Total shared expenses (excl. depreciation) ($) multiplied by Direct revenue line item amount ($) divided by the Total direct revenue amount ($) ratio. **Allocator justification:** The allocator is the most appropriate because there is a relationship between the economic benefits realised (direct revenue) and the economic benefits consumed (Direct expenses & Shared Expenses) as a result of operating the pipeline, and the service operator is not aware of a more appropriate allocation approach. Numeric quantities of allocators are displayed in the reporting template.	None Noted
2.2.2	Expenses by service	2.2.2EBS_D68:K78	Depreciation	Actual (except for allocation to pipeline services)	Assets and the resulting depreciation expense are not attributed in SAP into a specific Direct revenue category	Direct revenue line items		**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Depreciation was allocated to the 'Description' categories based on the Direct Revenue allocator. Allocation of Pipeline Service (%) calculated as Total depreciation ($) multiplied by Direct revenue line item amount ($) divided by the Total direct revenue amount ($) ratio. **Allocator justification:** The allocator is the most appropriate because there is a relationship between the economic benefits realised (direct revenue) and the economic benefits consumed (depreciation) through utilisation of the Service Provider's assets, and the service operator is not aware of a more appropriate allocation approach. Numeric quantities of allocators are displayed in the reporting template.	None Noted

2.3 Revenue contributions

A list of capital contributions received (including both customer and government contributions).

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.3.1	Customer contributions received	N/A – No Basis of Preparation ID	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Customer contributions were recognised as revenue. The supporting journal documentation was reviewed to assess whether or not the contribution was received from a related party.	None Noted
2.3.2	Government contributions received	N/A – No Basis of Preparation ID	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Government contributions received. No such transactions were identified.	None Noted

2.4 Indirect revenue

A list of the indirect revenue allocated to the pipeline

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.4.1	Indirect revenue allocation	2.4.1.IRA	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Indirect revenue was received. Indirect revenue was reported as nil on the basis that there was no indirect revenue which was required to be allocated to the pipeline.	None Noted

2.5 Shared expenses

Service providers are required to allocate a fair proportion of shared costs such as corporate overheads to each pipeline.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.5.1	Shared expense allocation	2.5.1SEA_D15:J36	Description categories, Income statement account applied to, Shared costs excluding related parties, Shared costs paid to related parties, (Gross shared costs), % allocated to pipeline, Total allocated to pipeline excluding related parties, Total related party amounts allocated to pipeline (Net shared costs).	Actual	N/A	SAP	N/A	Shared Costs relate to enterprise support functions such as executive management, finance, legal, information technology (IT), human resources etc. Shared costs reported are those of the broader SGSPAA Group excluding Zinfra. **Description categories** The cost element description field was used to map costs into the template's 'Description' categories (e.g. 'Employee costs', 'Indirect operating expenses', etc.). Project descriptions were also used as a basis to categorise costs into description categories (e.g. 'Information technology and communication costs'). For costs other than labour, project descriptions and activity/service category codes were used for further specific categorisation. The following description categories were populated based on project description/activity code mapping: -Information technology and communication costs. -Rental and leasing costs. Income statement account applied to Each 'Description' category row in the template is the aggregation of multiple cost element description categories and Project descriptions therefore the column 'Income statement account applied to' has been populated as 'Various'.	None Noted
								Related party and non-related party: **Shared costs excluding related parties** Shared asset depreciation is the only value included in this column as depreciation is based on shared assets purchased by the Jemena Group and allocated to the pipeline. **Shared costs paid to related parties** The gross shared costs paid to related parties for enterprise support functions (e.g. Finance, Legal, Managing Director) are the total shared costs incurred across the Jemena Group before allocating to specific assets (e.g. pipelines). Gross shared costs are collected in SAP at the JAM entity. It is from this entity that the allocation of shared costs occurs. These allocated costs are transferred to the pipeline using SAP functionality and mapped into the template categories based on a methodology consistent with the approach outlined above for net shared costs, therefore based on: -cost element mapping and -project descriptions and activity/service category codes **Percent (%) allocated to pipeline and total allocated to pipeline excluding related parties,** As described above, the majority of shared costs that the pipeline incurs are sourced from a related entity JAM which records costs that relate to the pipeline and uses SAP functionality that transfers such costs at zero margin to the pipeline. These costs are reported in the 'Shared costs paid to related parties' column.	None Noted
								Allocator: Shared costs are allocated in the following ways: -Non directly attributable costs are allocated using two steps: -Step 1: Jemena Group level enterprise support function costs are allocated to the Pipelines group based on the specific causal drivers attributed to each separate type of Shared Cost, with a range of allocation drivers used as appropriate for each type of cost including surveys of headcount effort, surveys of digital application usage, emissions volumes, revenue and EBIT. -Step 2: Shared costs are then allocated to each pipeline based on a management survey of the support effort consumed by each pipeline. **Allocator justification:** The allocators used to allocate shared enterprise support function costs are the most appropriate because the allocator is the best estimate of the benefits consumed by the respective Jemena Group assets. The costs allocated to each shared expense 'Description' category (e.g. 'Employee costs', 'information technology and communication costs' etc.) is an aggregate of many projects with varying cost allocation percentages from the different shared functions. The percentage allocated to a pipeline is calculated as: Amounts allocated to pipeline divided by the gross amount across the Jemena Group. The shared costs allocated to the pipeline is sourced from SAP using a combination of projects and cost elements. Numeric quantities of allocators are displayed in the reporting template.	None Noted

3. Asset value - Depreciated Book Value Method (DBVM) (For Non-scheme pipeline only)
An overview of the assets utilised in the pipeline operations based on DBVM.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.1.1	Pipeline assets (DBVM)	3.1.1PADBVM_D18:E80 3.1.1PADBVM_D106:E119	Pipeline assets, Shared supporting assets	Per source material	N/A	FAR	Refer to assumptions in table 3.5.1: Pipeline assets at cost and table 3.5.2: Shared assets at cost.	Per source material for non-input cells referencing 'Table 3.5.1: Pipeline assets at cost' and 'Table 3.5.2: Shared assets at cost'. No revaluation of pipeline assets The service provider confirms that the pipeline's assets are measured at historical cost in accordance with AASB 116 Property, Plant and Equipment, none of the pipeline's assets have been revalued since the acquisition date. The pipeline does not depreciate land but does depreciate easements that have a fixed term life. To align with the presentation of information required in Table 3.1.1, the opening cost base in the comparative column has been revised to reflect the opening accumulated depreciation. Current year depreciation has been included in the additions for the current reporting period. **For shared assets** **Allocator:** Shared assets are allocated to pipelines in the following way: -Non directly attributable costs are allocated to pipelines based on the approved capex business case which outlines the case by case assessment of the specific SPSPAA Group business units that will benefit from the new asset. At the time of commissioning the new asset it is reassessed to confirm that the allocation to split the assets aligns with the expected benefits from the asset. . **Allocation Justification:** The Business Case and commissioning benefit review is the most appropriate allocator because it best aligns with how the future economic benefits from the assets are expected to be realised. Numeric quantities of allocators are displayed in the reporting template.	None Noted
3.1.1	Pipeline assets (DBVM)	3.1.1PADBVM_D97:E102	Other non-depreciable pipeline assets	Actual	N/A	SGSPAA Group Consolidation support schedule (Fair Value Adjustments and Goodwill) SAP	N/A	**Other non-depreciable pipeline assets - SGSPAA Group Consolidation support schedule** The amounts reported include goodwill which arose from the acquisition of the pipeline. As there is no specific Goodwill category, the pipeline has included $760,983,093 of goodwill in the 'Other non-depreciable pipeline assets' in the template. This category also includes other non-depreciable pipeline assets including receivables of $911,593,399, of which the intercompany receivables amount to $899,495,954 **Other non-depreciable pipeline assets – SAP TB** Amounts have been extracted from the pipeline's Trial Balances for the reporting period and include GL accounts such as accrued receivables, inventories, deferred tax assets and amounts due from related parties. SAP has functionality that records and identifies any transactions from related parties to the pipeline, known as trading partner. Related party loan accounts with each trading partner entity were aggregated, where the receivable amount was greater than the payable amount the net amount was reported in 'Other non-depreciable pipeline assets'. Where the payable amount was greater than the receivable amount the balance was a net liability and therefore not included in 'Other non-depreciable pipeline assets' in the template. The pipeline has a legally-enforceable right to set off the recognised amounts and the pipeline intends either to settle on a net basis or realise the asset and settle the liability simultaneously. In accordance with accounting standards the pipeline has netted off deferred tax assets and liabilities in its Balance Sheet.	None Noted
3.1.1		3.1.1PADBVM_D121:E123	Inventories, Deferred tax assets, Other assets	Actual	N/A	SAP	N/A	The pipeline's Inventories, deferred tax assets and other assets are not shared assets, they form part of Pipeline Assets and are reported on the row 'Other non-depreciable pipeline assets.	None Noted
3.1.2		3.1.2ICOPADBVM_D132	Initial costs of pipeline assets (DBVM)	Actual	N/A	Published Accounts of SGSP (Australia) Assets Pty Ltd	N/A	The acquisition costs incurred were sourced from Group's published accounts. Where necessary, Group costs were allocated to individual pipelines based on a valuation report from the acquisition.	None Noted

3.2 Asset value - Regulatory Asset Base (RAB) (For Scheme pipeline only) An overview of the assets utilised in the pipeline operations based on RAB.									
Table ID	**Table Name**	**BoP ID**	**Item Name**	**Estimated/Actual**	**Why Estimated**	**Source**	**Assumptions**	**Methodology**	**Additional Comments**
3.2.1	Pipeline assets (RAB)	3.2.1RAB	NA	NA	NA	NA	NA	NA	This table is only required for scheme pipelines. The pipeline is not a scheme pipeline.

3.3 Asset useful life

The asset useful life schedule, which provides the basis for calculating depreciation for different classes of assets and the reason for choosing this basis.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.3.1	Asset useful life	3.3.1AUL_D11:F39	Description (list each individual balance sheet item), Commission date (provide a range), Useful life years, Reason for choosing this useful life	Actual	NA	SAP	NA	**Description (list each individual balance sheet item)** The 'Description' column was referenced from the 'Description' column as listed in: -Table 3.3.1: Pipeline assets at cost -Table 3.3.2: Shared assets at cost Assets under construction (AUC) are assets that are still in the process of being constructed and not yet installed ready for use, therefore they are excluded from Table 3.1.1 The pipeline does not depreciate land but does depreciate easements that have a fixed term life. **Commission date (provide a range)** The assets in the FAMR sourced from SAP, have been aggregated into similar 'Description' items in Table 3.1.1. For each asset 'Description' category the date pipeline was commissioned and most recent asset commissioning dates were extracted for disclosure. **Useful life years** The useful life for each category was calculated based on the weighted average cost useful life formula below with the information sourced from FAMR. Weighted average cost useful life equals: (Opening Cost + Acquisitions+Retirements)/Total Description Cost Note that the Total Description Costs is the sum of Opening cost + Additions– Retirements. $*Asset\ useful\ life$ Asset class with an indefinite useful life has been excluded from the above calculation.	None Noted
				Actual	NA		NA	**Reason for choosing this useful life** The pipeline defines the useful (economic) life of individual assets in accordance with Australian Accounting Standards and the period over which the pipeline expects to derive economic value from the asset. The estimation of the economic useful life of an asset is a matter of judgement based on the Jemena Group's experience with similar assets and consideration of the specific circumstances relevant to that asset. Additionally, economic useful life of an asset is considered in relation to the life assigned to similar assets within the asset category. Because an asset category contains a significant number of assets that have different useful lives, the useful lives reported in Table 3.3.1 reflect the weighted average of the standard asset lives of the assets included in the relevant asset category.	None Noted

3.4 Asset impairment

A schedule of impairments made to pipeline assets and impairment reversals.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.4.1	Asset Impaired	3.4.1AI	Asset description, Impairment amount $ nominal, Impairment date, Basis for impairment	Actual	NA	SAP	NA	Reviewed the SAP general ledger to identify whether any impairment transactions have been recorded. No Impairment recorded for the current year.	None Noted
3.4.2	Asset Impairment Reversals	3.4.1AIR	Asset description, Prior Impairment amount $ nominal, Impairment date, Basis for impairment, Reversal amount $nominal, Reversal date, Basis for Reversal	Actual	NA	SAP	NA	Reviewed the SAP general ledger to identify whether any reversal of impairment transactions have been recorded.	None Noted

3.5 Depreciation amortisation

A depreciation schedule to show the depreciation calculation for pipeline assets,

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.5.1 3.5.2	Pipeline assets at cost - pipeline assets & Shared assets at cost (less straight-line depreciation)	3.5.1PAAC_C15:Q59 3.5.2SAAC_D66:P84	Description, Category, Acquisition date (provide a range), Useful life, Estimated residual value, Opening Cost Base , Current year additions, Current year capitalised Maintenance or improvements, Current year disposals or Early termination, Adjusted Cost Base, Prior years' accumulated depreciation Current year depreciation, Written Down Value	Actual	NA	SAP FAMR and equipment listing report The SGSPAA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	NA	Downloaded the annual SAP FAMR which lists individual assets. Directly attributable costs are allocated to pipeline through a PM Order which is the lowest level cost collector. PM Order's settle or cascade up to a specific Capex project (WBS) in SAP. Capex WBS settle to the specifically identifiable assets in the SAP FAR. **Category** Each asset was mapped into the relevant categories provided in the AER template drop down list (e.g. Pipeline, Compressor, City Gates etc.) based on: -analysis of the FAMR Asset description & Asset class; -input from engineers and subject matter experts; and -where relevant, analysis of a separate corresponding equipment listing report which contains more detailed information than the FAMR. **Description** The asset description was mapped to the categories in the template except for the following items which were not included in the AER's drop down list of categories: AUC Network, AUC-Intangibles, AUC Non-Network. AUC are assets that are still in the process of being constructed and not yet installed ready for use. Therefore depreciation expense was not yet applied. **Acquisition date (provide a range)** Refer to 'Commission date' explanation for Table 3.3.1 Asset useful life. **Useful life** Refer to 'Useful life' explanation for Table 3.3.1 Asset useful life. **Estimated residual value** The service provider has estimated there to be no residual value for all pipeline assets which is in accordance with its internal Property, Plant and Equipment policy and aligns with AASB 116 Property, Plant and Equipment which recognises that in practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount (AASB 116(53)).	None Noted
								Opening Cost Base, Current Year Additions and Current Years Disposals or Early Terminations, Prior years' accumulated depreciation **Current year depreciation, Written Down Value** The annual SAP FAMR report was generated with asset 'Category' detail overlayed (per 'Category' explanation above') which included separate columns for: -Opening Cost Base -Current Year Additions -Current Years Disposals or Early Terminations -Prior years' accumulated depreciation -Current year depreciation -Written Down Value The pipeline does not depreciate land but does depreciate easements that have a fixed term life. To align with the presentation of information required in Table 3.1.1, the opening cost base in the comparative column has been revised to reflect the opening accumulated depreciation. Current year depreciation has been included in the additions for the current reporting period. **Capitalised Maintenance** The pipeline does not have any capitalised maintenance. Maintenance costs such as day to day servicing including labour, consumables and spare parts are excluded from measurement of an item of PPE in accordance with the SGSPAA Group's PPE policy and AASB 116 (12). **Other depreciable pipeline assets - SGSPAA Group Consolidation support schedule** Contract intangibles and Capitalised interest if any sourced from the SGSPAA Group Consolidation support schedule have been reported within the 'Other depreciable pipeline assets' category.	None Noted

3.6 Shared supporting assets

Provides the basis for allocating shared assets to the pipeline.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.6.1	Shared supporting asset allocation	3.6.1SSAA__C15:G47	Description (list each individual shared asset category greater than 5%), Category of shared assets, Total amount, % allocated to pipeline, Total allocated to pipeline	Actual	NA	SAP – FAMR & project cost download for Shared Assets Capex at the pipeline's level.	None noted	**Description (list each individual shared asset category greater than 5%)** 'Shared asset' category description' in the FAMR were reported in Table 3. 5.2. Interpreted that shared asset category additions during the reporting period were to be disclosed when greater than 5% of Total Shared costs were allocated to the service provider's pipeline. Shared property, plant and equipment – Additions in Table 3.1.1 align to Table 3.6.1 additions. **Category of shared assets** The 'Category of shared assets' was reported as 'Other Shared' based on the nature of the asset additions and referenced to the drop down list of categories in Table 3.5.2. **Total amount** Costs are collected in projects (WBS elements) in SAP based on the activity, on which an employee works or an external supplier provides goods/services. For shared assets the capex costs are collected in a WBS element before allocating the shared asset costs to the relevant pipelines/distribution network assets. EGP aggregates the shared asset additions into the relevant asset classes as per the template. **% allocated to pipeline** The percentage allocated to the pipeline was calculated as: 'Total allocated to the pipeline' divided by the 'Total Amount' Where: -'Total allocated to the pipeline' is defined below; and -''Total Amount' is defined above. **Total allocated to pipeline** Shared Asset additions during the reporting period were aggregated by the 'Asset class description' field in the FAMR. Refer to Table ID 3.1.1 for the explanation of how shared assets were allocated to the pipeline.	None Noted

4. Asset value - Recovered Capital Method (RCM)
The asset valuation statement arising from the application of the Recovered Capital Method.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
4.1	Pipeline assets (RCM)	4.1PARCM_F14:BH14	Pipeline assets: Construction cost (1998-2001) Capital expenditure recorded as being incurred in the years 1998-2001 (inclusive) represents the initial construction cost of the pipeline.	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology) **2001:** This expenditure was incurred prior to Jemena's acquisition of the pipeline. To the best of our knowledge and belief EGP does not have within its possession or control, information that could be used to provide a description of works that were undertaken in 2001. Enquiries were made with previous owners however EGP was unable to obtain a description of the works undertaken in 2001. Based on discussion with the SME the cost should be categorised as a construction cost as there is no evidence of expansion on that year.	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F15:BH15	Pipeline assets: Residual value (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F15:BH15	Pipeline assets: Residual value (2024)	Estimate	Cost have not yet been incurred to decommission the pipeline, therefore an estimate is inherently required to measure future costs. Further the actual timing of decommissioning the pipeline is also uncertain therefore increasing the level of estimation required. Further, the CPI escalation factor and the discount rate inputs are estimates used to inflate for forecast future price increases and then discount to the present value respectively.	Expert Engineering Report Inflation rate: SGSPAA internal 2024 budgeted CPI Discount rate: 5 year average rate for 15 year Australian Government Securities (AGS) bonds	Negative residual value is interpreted as the present value of the forecast decommissioning cost that EGP will pay when the pipeline is removed from service in the future. The expert engineering report is a reasonable basis for estimating the cost to decommission the pipeline. The 5 year average of the 15 year AGS bonds are appropriate to estimate rate of return for present value calculation purposes.	Negative residual value is calculated as: $$PV(Decommissioning)_{\tau_E} = C_{\tau_E} \times \frac{(1+i)^{\tau_D - \tau_E}}{(1+r)^{\tau_D - \tau}}$$ Where: -C_(T_E) is the estimated cost of decommissioning in dollars as at time T_E -T_D is the expected year of decommissioning -i is the estimated inflation rate -r is the estimated discount rate -t is the year of the estimate An expert Engineering report is the basis for estimating the decommissioning cost (C_(T_E)). Phasing of Negative Residual value The year 1 value of the decommissioning cost was reported in year 1. From 2021 onwards, each year's increment negative residual value is calculated as the movement in total negative residual value between that year and the prior year	The estimate is a best estimate because it has been calculated based on the following inputs which are sourced based on best available information: Independent technical engineering estimate of the cost to decommission the pipeline. Discount rate: 5 year average for the 15 year Australian Government Securities (AGS) bond rate. CPI escalation: SGSPAA internal CPI estimate (reasonable when compared with Australian Bureau of Statistics (ABS) rate). The pipeline's decommissioning provision reflects a bottom-up cost estimate of various remediation activities. Consistent with AS2885, the service provider used a risk-based approach to determine a mix of appropriate remediation activities for different equipment/facility types and locations, taking into account factors including expected future land use. Remediation activities include the removal of all above-ground facilities, various remediation treatments for underground pipeline (for example, grouting in higher risk locations such as road/rail/river crossings, and leaving the pipeline in place with controls in lower risk locations) and ground cover remediation/revegetation of easements as appropriate for the surrounding land.
4.1	Pipeline assets (RCM)	4.1PARCM_F16:BH16	Pipeline assets: Additions (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F16:BH16	Pipeline assets: Additions (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	Additions per the FAMR were cash related. All additions are incurred mid-year.	EGP uses SAP to capture costs associated with capital expenditure. A FAMR was downloaded from SAP for each year to identify additions during that year. A check was performed to reconcile FAMR movements with the net change in fixed asset general ledger accounts. **Mid-point Net Capital Expenditure Gross Up** Capex additions and disposals for each year are escalated to a mid-year point to account for the return on capital for capital expenditure incurred during the year. $$Mid\ Point\ Gross\ Capex = Capex \times (1 + RoR\ percentage)^{0.5}$$ The Rate of Return (RoR) percentage input calculation methodology is further below in this table	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F17:BH17	Pipeline assets: Maintenance capitalised (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F17:BH17	Pipeline assets: Maintenance capitalised (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	No data for capitalised maintenance was noted in the review of the FAMR and the relevant SAP Trial Balances. : Maintenance capitalised	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F18:BH18	Pipeline assets: Disposal at cost (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)

4.1	Pipeline assets (RCM)	4.1PARCM_F18:BH18	Pipeline assets: Disposal at cost (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipelines (1) Pty Ltd Jemena Eastern Gas Pipelines (2) Pty Ltd	All disposals are incurred mid-year. Assumed proceeds from sales includes 10% GST on taxable supply applied to the sales amount. Disposal (as cost) has been interpreted to mean cash proceeds from the sales of property, plant and equipment which is the equivalent to the cost paid by the 3rd party which acquired the asset.	Extracted the following item from the FAR: Proceeds from sales of property, plant and equipment. Where there is an amount for Proceeds on sales of property, plant and equipment, GST has been removed by multiplying the proceeds by 10/11. Mid-point Net Capital Expenditure Gross Up Refer to Construction Cost - Mid-point Net Capital Expenditure Gross Up explanation.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F24:BH24	Shared assets: Additions (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F24:BH24	Shared assets: Additions (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	Assets were aggregated by year based on the year within the Capitalisation date (date field). Shared assets were identified based on: analysis of the FAMR Asset description & Asset class; input from engineers and subject matter experts; and where relevant, analysis of a separate corresponding equipment listing report which contains more detailed information than the FAMR. Shared asset additions were aggregated by year based on the year within the field Capitalisation date.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F22:BH23 , 4.1PARCM_F25:BH26	Shared assets: Construction cost or acquisition cost (where allowed) apportioned, Residual value, Maintenance capitalised, Disposal (at cost) (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F22:BH23 , 4.1PARCM_F25:BH26	Shared assets: Construction cost or acquisition cost (where allowed) apportioned, Residual value, Maintenance capitalised, Disposal (at cost) (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	No data for the following items were noted in the review of the SAP FAMR and the relevant SAP Trial Balances: Construction cost or acquisition cost (where allowed) apportioned, Maintenance capitalised Disposal (at cost)	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F31:BH31	Return of capital: Revenue (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F31:BH31	Return of capital: Revenue (2024)	Actual	N/A	SAP Trial Balances of: Jemena Eastern Gas Pipelines (1) Pty Ltd. and Jemena Eastern Gas Pipelines (2) Pty Ltd	The only revenue of the entity was pipeline revenue.	EGP uses its SAP system to capture revenue transactions. A calendar year trial balance was generated from the SAP system and the revenue general ledger accounts were aggregated.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F32:BH32	Return of capital: Operating expenses (1998-2023)	Estimate (2000-2018) and Actual (1999, 2019-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F32:BH32	Return of capital: Operating expenses (2024)	Actual	N/A	SAP Trial Balances of: Jemena Eastern Gas Pipelines (1) Pty Ltd. and Jemena Eastern Gas Pipelines (2) Pty Ltd	No material non-cash items are included in the operating expenditure general ledger accounts reported. Depreciation is the key non-cash item which has been removed.	Extracted and summed the dollar amounts of operating expenditure general ledger accounts from each calendar year's trial balance excluding: Interest Depreciation, and Tax Expense.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F33:BH33	Return of capital: Net tax liabilities (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)

4.1	Pipeline assets (RCM)	4.1PARCM_F33:BH33	Return of capital: Net tax liabilities (2024)	Estimate	EGP is part of a consolidated tax group and does not pay corporate tax as a stand-alone entity. Therefore the net tax liability needs to be estimated.	SAP Trial Balances of : Jemena Eastern Gas Pipeline (1) Pty Ltd, and Jemena Eastern Gas Pipeline (2) Pty Ltd Gamma (imputation credits) has been sourced from the AER's 2022 Rate of Return Instrument.	'Net tax liability' is interpreted as the notional cash tax payable that would be payable if the pipeline was a stand-alone entity less the estimated imputation credits received by the stand-alone entity. When estimating each year's tax depreciation, current year net capex was assumed to be incurred mid-year and therefore only a half year of depreciation was incurred.	The pipeline is part of a consolidated tax group and does not pay corporate tax as a stand-alone entity. Therefore the net tax liability needs to be estimated. The accounting profit and loss has been reviewed to identify material non-cash items that may require adjustment for when estimating the net tax liability cash flow. Net tax liability is calculated as: (Profit/(loss) before interest, tax, depreciation and amortisation Less Estimated tax depreciation Less Estimated interest expense) multiplied by the tax rate (i.e. 30%). Multiplied by (1-Gamma) to consider the tax benefit of the imputation credits. Tax Depreciation sourced from the SAP Fixed Asset Tax Register. Interest expense sourced from SGSP (Australia) Assets Pty Ltd ("SGSPAA") Annual Report segment note calculated as: SGSPAA interest expense multiplied by Pipeline total assets divided by SGSPAA Total Assets. Gamma (imputation credits) have been sources from the AER's RoR instrument for 2022. (57%)	EBITA is the best approach for calculating the cash flows each year and therefore is the most appropriate input into the net tax liability calculation. EBITA has been sourced from actual historic records and therefore has been arrived at on a reasonable basis. The first year of post-acquisition tax depreciation is the most appropriate basis to estimate pre-acquisition tax depreciation because it is based on an actual data source.
4.1	Pipeline assets (RCM)	4.1PARCM_F35:BH35	Return of capital: Return on capital (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F35:BH35	Return of capital: Return on capital (2024)	Estimate	Dependent on rate of return estimates.	Rate of return sources are explained in Item'Return of capital: Return on capital (Rate of return)' (2024) in this table below.	N/A	Return on capital for a given year is estimated as the opening asset value for that year multiplied by the rate of return percentage for that year. The rate of return is explained in Item 'Return of capital: Return on capital (Rate of return)' (2024) in this table below.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	Return of capital: Return on capital (Rate of return) (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	Return of capital: Return on capital (Rate of return) (2024)	Estimate	Consistent with the AER's Pipeline Information Disclosure Guideline requirements	The rate of return is estimated consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines and with reference to the following source inputs: Gearing: SGSPAA Financial Report Balance Sheet and Treasury Report. Cost of debt: SGSPAA Financial Report and Treasury Report. Risk-free rate: RBA Treasury Bonds – Daily – F16 Indicative mid rates of selected Australian Government Securities Equity beta: Estimated from a sample of listed international comparators from OECD countries (0.89) Market Risk Premium (MRP): AER's RoR instrument for 2022 (6.2%)	Gearing The proportion of debt funding to capital is referred to as 'gearing'. EGP applies a percentage reflecting SGSPAA's actual portfolio gearing of the reporting period, consistent with the AER's Pipeline Information Disclosure Guideline. Gamma (Imputation credits) 57% as determined in the AER's 2022 RoR instrument. Cost of debt (pre-tax) Calculated as the SGSPAA actual portfolio cost of debt for the reporting period, consistent with the AER's Pipeline Information Disclosure Guideline. Cost of equity (post-tax) $r_e = r_f + \beta_e(r_m - r_f)$ EGP adopts the methodology consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines.	**<u>Weighted Average Cost of Capital (WACC)</u>** EGP estimates the rate of return as the nominal vanilla WACC. This approach estimates the rate of return as the weighted average of opportunity costs assessed across two sources of capital funding: debt and equity. $WACC^{vanilla} = gearing \times r_d + (1 - gearing) \times r_e$ Where r_d is the cost of debt, and r_e is the cost of equity. Gearing The proportion of debt funding 'gearing' has been sourced consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines using current financial information used in statutory, management and budgeting reporting. Cost of debt Cost of debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt. Cost of equity. The cost of is estimated using the Sharpe-Lintner capital asset pricing model (S-L CAPM). $r_e = r_f + \beta_e(r_m - r_f)$ where: r_e is the cost of equity; r_f is the risk free rate; $r_m - r_f$ is the Market Risk Premium (**MRP**); and β_e is the equity beta.	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting. The data inputs into the WACC have been sourced from published AER accepted sources aligning to Part 10 consistent with the AER's Pipeline Information Disclosure Guidelines
								<u>Equity beta:</u> Estimated from a sample of listed international comparators from OECD countries with the following criteria: be in all three of: (1) Bloomberg Industry Classification (BICs): Gas Distribution or Midstream Oil and Gas (2) MSCI and S&P Dow Jones Indices Global Industry Classification (GICs): Gas Utilities or Oil and Gas transport (3) FTSE Russell Industry Classification Benchmark (ICB): Gas distribution or Pipeline –have an investment grade credit rating from S&P, Moody's or Fitch –with liquidity (bid-ask-spread) of less than 0.5% –has gearing greater than 0% **<u>Risk-free rate:</u>** Estimated shortly prior to the commencement of the year for which the rate of return is being set. This is estimated by reference to 10-year RBA Treasury Bonds for a 10-day period from 20 October 2023 to 2 November 2023	
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	For information: Rate of return (WACC) (1998-2024)	Estimate	Impact of Rate of return components.	Items 'Return of capital: Return on capital'(2024) in this table above.	N/A	**<u>Rate of return (WACC)</u>** = Return on capital in row 35 of the template / Opening asset value in row 38 of the template Where the opening or closing asset value (excluding negative residual value) is zero, we report N/A	N/A

4.1	Pipeline assets (RCM)	N/A	Additional comments	N/A	N/A	N/A	N/A	N/A	The depreciated book value method and recovered capital method are fundamentally different methodologies and should generally be expected to result in different asset values. The depreciated book value method reflects depreciation applied in accordance with applicable accounting standards and a standard asset life, whereas the recovered capital method determines return of capital (depreciation) by considering the revenue generated and costs associated including operating expenses, net tax liabilities, and return on capital. As described above, under the RCM, pipeline asset additions are subject to a mid-point net capital expenditure gross up, while this adjustment is not made to additions reported under the DBVM. Additionally, the RCM considers the construction costs as incurred, whereas the DBVM may also consider other costs associated with the purchase of the pipeline.

4.1 Pipeline capital expenditure

Capital expenditure greater than 5% of construction cost, historical expansions/extensions and any planned expansions/extensions that have advanced to "Final Investment Decision" stage.

Table ID	Table Name	BoP ID	Item Name	Estimated /Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
4.1.1	Capital expenditure greater than 5% of construction cost	4.1.1CEGTOCC_D15:E41	Description of works, Date recognised, Expenditure ($ nominal)	Actual	N/A	SAP	Capital expenditure recorded as being incurred in the years 1998-2001 (inclusive) represents the initial construction cost of the pipeline.	The service provider analysed the underpinning data for the RCM template and with a view to identifying any projects where capex was greater than 5% of the construction cost across the years. **Actual** The service provider extracted Description of works, Date recognised and Expenditure ($ nominal) from the SAP FAMR, SAP WBS elements cost download.	None Noted
4.1.2	Historical expansions and extensions	4.1.2HEAE_C47:E73	Description of works, Date recognised, Expenditure ($ nominal)	Actual	N/A	SAP FAMR	N/A	The service provider analysed the underpinning data for the RCM template to identify any projects where there was capital expenditure incurred for historical expansions and extensions. Reviewed the SAP FAMR and identified high value assets additions. Reviewed the high value asset additions and extracted the following data: Asset description, date capitalised and asset cost base. Reviewed the high value assets items with SME to confirm that the data extracted from the SAP FAMR aligned with SME knowledge of historic expansions and extensions To ascertain the technical details of the expansion and extension projects of the EGP, the service provider referred to information including its fixed asset register, relevant design basis documents, asset management plans, and engineering estimates of asset capacity that are in the service provider's possession, as well as internal business SMEs. Mila Compressor station increased capacity on the EGP by 54 TJ/day. The compressor was commissioned on July 2008. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. 4th Compressor at Longford. This additional compressor at Longford provided a dedicated compressor (compressor 3) for the TGP, providing 100 TJ/day for the TGP. By allowing the other 3 compressor (1, 2, 4) at Longford to solely deliver compression on the EGP. The compressor was commissioned on April 2010. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1 The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1.	None Noted
								The Wilton pipeline interconnect is a short lateral between the EGP and the APA Group/Jemena Gas Network station at Wilton with a connection into both the APA side (upstream of the Short-Term Trading Market) and JGN side. The lateral has capacity of 150 TJ/day and was commissioned on January 2016. Direct capital expenditure associated with this project is set out in the reporting template Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1. The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. Midline compressor project built two compressors on the EGP at East Gippsland and Michelago. The project includes 2 compressor units plus an upgrade to the Horsley Park meter station. The project increased capacity on the EGP by 60TJ/day and was commissioned on January 2016. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1.The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. The Port Kembla Energy Terminal Lateral connects the Squadrons import terminal at Port Kembla to the EGP at Kembla Grange. The lateral is 7.8 Km in length and the project included an upgrade to Jemena's existing Kembla Grange facility to include a metering station. It was mechanically completed in November 2023 and has an estimated nameplate rating of 522 TJ/day. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1.The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1	None Noted
4.1.3	Planned expansions and extensions of capacity	4.1.3.PEAEOC	Description of the matter Proposed commissioning date, or a range of dates Expected end date, or a range of dates Facility's proposed nameplate rating, or the estimated likely range during affected period Proposed expenditure (if available, required for publicly announced expansions)	Actual	N/A		N/A	Planned expansions and includes only those projects for which a Financial Investment Decision (FID) has been taken by the end of the current reporting period. Detail for new projects (description, proposed commissioning dates, proposed nameplate rating, proposed expenditure etc.) was provided by relevant SMEs. The pipeline had no planned expansions and/or extensions as at the end of the current reporting period which had passed Financial Investment Decision (FID). Confirmation obtained from commercial team that there are no major planned expansions and extensions of capacity.	None Noted

5. Historical demand Information on the amount of capacity that was contracted in each financial year and the amount of capacity that was actually used in each financial year.									
Table ID	**Table Name**	**BoP ID**	**Item Name**	**Estimated/Actual**	**Why Estimated**	**Source**	**Assumptions**	**Methodology**	**Additional Comments**
5.1	Historical Demand Information	NA	Historical demand information	NA	NA	NA	NA	NA	None Noted
5.2	Demand by pipeline service	N/A	Contracted MDQ: TJ/day	Actual	NA	PypIT	NA	A daily Contracted MDQ report by PID service category (e.g. Firm forward) was downloaded from PypIT for each day in the reporting period. Values shown are the average of contracted MDQ for each day in the reporting period. Note that only service types which constitute 'contracted capacity' as defined in Part 25 of the National Gas Rules are considered within the calculation of contracted MDQ The average service category Contracted MDQ equals sum of each service categories contracted volumes for each day the reporting period divided by the number of days in the reporting period.	None Noted
5.3	Daily demand	N/A	Contracted firm capacity-transportation Contracted firm capacity-storage Utilised capacity Pipeline nameplate capacity	Actual	NA	PypIT	NA	Daily demand information has been extracted from PypIT. Separate daily Contracted MDQ reports by service category (e.g. Firm forward) were downloaded from PypIT for each day in the reporting period. The reports utilised a PypIT field attached to each service which flags whether a service constitutes 'contracted capacity' (as defined in Part 25 of the National Gas Rules). **Contracted firm capacity – transportation** The contracted firm capacity (transportation) per day was calculated as the sum of daily contracted MDQ of each contracted firm active transportation service. **Contracted firm capacity – storage** The contracted firm capacity (storage) per day was calculated as the sum of daily contracted MDQ of each contracted firm storage service (i.e. Premium Park service). **Utilised capacity** A PypIT daily reconciliation report was downloaded from PypIT. The daily utilised capacity is calculated as the sum of deliveries for the day plus, net volumes of gas held within park and park and loan services. **Pipeline nameplate capacity** The pipeline nameplate capacity is sourced from the business' pipeline capacity engineering records. Where a pipeline has more than one nameplate rating, the sum of each nameplate rating is displayed in the template.	None Noted

6. Pricing template

Provide a process or mechanism by which users and prospective users can transform the financial and historical demand information published by service providers into one or more cost-based pricing benchmarks.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
6.1	Inputs	N/A	Asset allocation to pipeline service %	Estimate	Assets are not allocated a pipeline service	Table 2.2.1 Direct revenue line items		Asset allocation to pipeline service Allocator: Ratio of the Direct revenue line item and Total Direct Revenue (excluding customer contributions). Refer to BoP for Table 2.2.2for Direct Expenses Service allocation percentage details. Allocator justification: The allocator is the most appropriate because there is no direct link between the assets and any individual category of service. Hence allocation on the basis of revenue is most appropriate.	None Noted
6.1	AER Input	N/A	AER inputs: Average regulatory return on debt	Actual	N/A	The Average regulatory return on debt is calculated with reference to the following source inputs: SGSPAA Financial Report interest expenses and interest bearing liabilities.	Calculated as the SGSPAA actual portfolio cost of debt for the reporting period.	Average regulatory return on debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt for the year ended 31 December 2024.	N/A
6.1	AER Input	N/A	AER inputs: Gearing	Actual	N/A	Gearing: SGSPAA Financial Report Balance Sheet as at 31 December 2024.	The proportion of debt funding to capital is referred to as 'gearing'. A percentage reflecting SGSPAA's actual gearing of the reporting period is applied.	The proportion of debt funding 'gearing' has been sourced based on guidance from Part 10 guidance using current financial information used in statutory, management and budgeting reporting.	N/A
6.1	AER Input	N/A	AER inputs: Statutory tax rate	Actual	N/A	Statutory tax rate has been sourced from the ATO.	N/A	Statutory tax rate has been sourced from the ATO. (30%)	N/A
6.1	AER Input	N/A	AER inputs: Gamma	Actual	N/A	Gamma (imputation credits) have been sourced from the AER's 2022 Rate of Return Instrument.	N/A	Gamma (imputation credits) have been sourced from the AER's RoR instrument for 2022. (57%)	N/A
6.1	AER Input	N/A	AER inputs: Average regulatory rate of return	Estimate	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting.	The rate of return is estimated with reference to the following source inputs: Gearing: Gearing: SGSPAA Financial Report Balance Sheet as at 31 December 2024. Cost of debt: Cost of debt: SGSPAA Financial Report interest expenses and interest bearing liabilities as at 31 December 2024. Risk-free rate: RBA Treasury Bonds – Daily – F16 Indicative mid rates of selected Australian Government Securities Equity beta: Estimated from a sample of listed international comparators from OECD countries (0.89) Market Risk Premium (MRP): AER's RoR instrument for 2022 (6.2%)	Gearing The proportion of debt funding to capital is referred to as 'gearing'. The pipeline applies a percentage reflecting SGSPAA's actual gearing of the reporting year. Gamma (Imputation credits) 57% as determined in the AER's 2022 RoR instrument. Cost of debt Calculated as the SGSPAA actual portfolio cost of debt for the reporting year. Cost of equity $r_e = r_f + \beta_e(r_m - r_f)$ The pipeline adopts the methodology provided by the AER's 2022 RoR instrument.	Weighted Average Cost of Capital (WACC) The pipeline estimates the rate of return as the nominal vanilla WACC. This approach estimates the rate of return as the weighted average of opportunity costs assessed across two sources of capital funding: debt and equity. $WACC^{vanilla} = gearing \times r_d + (1 - gearing) \times r_e$ Where r_d is the cost of debt, and r_e is the cost of equity. Gearing The proportion of debt funding 'gearing' has been sourced based on guidance from Part 10 guidance using current financial information used in statutory, management and budgeting reporting. Cost of debt Cost of debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt at 31 December 2024. Cost of equity. The cost of equity for each year since the construction of the The pipeline is estimated using the Sharpe-Lintner capital asset pricing model (S-L CAPM). $r_e = r_f + \beta_e(r_m - r_f)$ where: r_e is the cost of equity; r_f is the risk free rate; $r_m - r_f$ is the Market Risk Premium (**MRP**); and β_e is the equity beta. **Equity beta:** Estimated from a sample of listed international comparators from OECD countries with the following criteria: be in all three of: (1) Bloomberg Industry Classification (BICs): Gas Distribution or Midstream Oil and Gas (2) MSCI and S&P Dow Jones Indices Global Industry Classification (GICs): Gas Utilities or Oil and Gas transport (3) FTSE Russell Industry Classification Benchmark (ICB): Gas distribution or Pipeline have an investment grade credit rating from S&P, Moody's or Fitch with liquidity (bid-ask-spread) of less than 0.5% has gearing greater than 0% **Risk-free rate:** Estimated shortly prior to the commencement of the year for which the rate of return is being set. This is estimated by reference to 10-year RBA Treasury Bonds for a 10-day period from 20 October 2023 to 2 November 2023.	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting. The data inputs into the WACC have been sourced from published AER accepted sources aligning to Part 10 Pipeline information disclosure guidelines and Price reporting guidelines and therefore is a best estimate which has been arrived at on a reasonable basis.

Independent Limited Assurance Report to the Directors of the entities comprising the Eastern Gas Pipeline Service Provider

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Non-financial information included within Tables 5.2 and 5.3 of the Part 10 Financial Reporting Templates prepared by the Eastern Gas Pipeline Service Provider, is not presented fairly, in all material respects, in accordance with the Pipeline Information Disclosure Guidelines and Price Reporting Guidelines for Part 18A Facilities issued by the Australian Energy Regulator (AER) on 27 October 2023 (Guideline) and the Basis of Preparation as prescribed by the Guideline for the year ended 31 December 2024.

The Eastern Gas Pipeline Service Provider comprises the entities set out in Appendix 1

Information Subject to Assurance

The Eastern Gas Pipeline Service Provider engaged KPMG to perform a limited assurance engagement in relation to the Non-financial Information included within Tables 5.2 and 5.3 of the Part 10 Financial Reporting Templates (Reporting Templates or Information Subject to Assurance).

Criteria Used as the Basis of Reporting

We assessed the information subject to assurance against the Criteria. The information subject to assurance needs to be read and understood together with the Criteria, being the Pipeline Information Disclosure Guidelines and Price Reporting Guidelines for Part 18A Facilities issued by the Australian Energy Regulator (AER) on 27 October 2023 (Guideline) and the Basis of Preparation as prescribed by the Guideline (Criteria).

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3000 we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the information subject to assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Service Provider personnel to understand the internal controls, governance structure and reporting process of the Non-financial Information in the Reporting Templates;
- reviews of relevant documentation including the Pipeline Information Disclosure Guidelines and Price Reporting Guidelines for Part 18A Facilities issued by the Australian Energy Regulator (AER) on 27 October 2023 and the Basis of Preparation as prescribed by the Guideline;
- analytical procedures over the Non-financial Information in the Reporting Templates;
- walkthroughs of the Non-financial Information in the Reporting Templates to source documentation;
- evaluating the appropriateness of the criteria with respect to the Non-financial Information in the Reporting Templates; and
- reviewed the Non-financial Information in the Reporting Templates in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the information subject to assurance may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of the entities which comprise the Service Provider.

Use of this Assurance Report

This report has been prepared solely for the Directors of the entities which comprise the Service Provider and the AER for the purpose of assisting the Directors of the entities which comprise the Service Provider in meeting their reporting obligations on the Non-financial Information in the Reporting Templates and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of the entities which comprise the Service Provider and the AER, or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs, the needs of the Directors of the entities which comprise the Service Provider and the needs of the AER;
- preparing and presenting the information subject to assurance in accordance with the criteria; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the information subject to assurance for the year ended 31 December 2024, and to issue an assurance report that includes our conclusion based on the procedures we have performed and evidence we have obtained.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Auditing Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG

KPMG

Glenn Austin

Partner

Melbourne

27 June 2025

Appendix 1: List of entities which comprise the Eastern Gas Pipeline Service Provider

- Jemena Eastern Gas Pipeline (1) Pty Ltd
- Jemena Eastern Gas Pipeline (2) Pty Ltd

Contents

Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2024
Historical demand

For information required to be published on the Gas Bulletin Board, please provide a publicly available link on their website to the relevant part of the Gas Bulletin Board.

Table 5.2: Demand by pipeline service

	Contracted MDQ
	TJ/day
Firm forward haul transportation service	241
Backhaul service	11
Interruptible or as available transportation service	-
Firm stand-alone compression service	-
Interruptible or as available stand-alone compression service	-
Park service	33
Park and loan services	-
Capacity trading service	-
In pipe trading service	-
Other	29

Table 5.3: Daily demand

	Contracted firm capacity-transportation	Contracted firm capacity-storage	Utilised capacity	Pipeline nameplate capacity	Available capacity-total	Available capacity-firm	Available contracted capacity
	TJ/day	TJ/day	TJ/day	TJ/day			
Total	**92,124**	**11,991**	**121,351**	**-**	**6,749**	**23,985**	**(17,235)**
1/01/2024	250	35	273	350	77	65	12
2/01/2024	250	35	266	350	84	65	19
3/01/2024	250	35	267	350	83	65	17
4/01/2024	250	35	260	350	90	65	25
5/01/2024	250	35	273	350	77	65	12
6/01/2024	250	35	264	350	86	65	21
7/01/2024	250	35	237	350	113	65	47
8/01/2024	250	35	261	350	89	65	23
9/01/2024	250	35	219	350	131	65	65
10/01/2024	250	35	249	350	101	65	36
11/01/2024	250	35	273	350	77	65	12
12/01/2024	250	35	274	350	76	65	10
13/01/2024	250	35	246	350	104	65	39
14/01/2024	250	35	243	350	107	65	42
15/01/2024	250	35	234	350	116	65	51
16/01/2024	250	35	220	350	130	65	65
17/01/2024	250	35	260	350	90	65	24
18/01/2024	250	35	274	350	76	65	10
19/01/2024	250	35	240	350	110	65	44
20/01/2024	250	35	221	350	129	65	64
21/01/2024	250	35	277	350	73	65	8
22/01/2024	250	35	281	350	69	65	3
23/01/2024	250	35	281	350	69	65	3
24/01/2024	250	35	268	350	82	65	16
25/01/2024	250	35	295	350	55	65	(11)
26/01/2024	250	35	243	350	107	65	42
27/01/2024	250	35	259	350	91	65	26
28/01/2024	250	35	254	350	96	65	30
29/01/2024	250	35	281	350	69	65	4
30/01/2024	250	35	250	350	100	65	35
31/01/2024	250	35	214	350	136	65	71
1/02/2024	250	32	214	350	136	68	68
2/02/2024	250	32	232	350	118	68	50
3/02/2024	250	32	249	350	101	68	33
4/02/2024	250	32	308	350	42	68	(26)
5/02/2024	250	32	285	350	65	68	(4)
6/02/2024	250	32	225	350	125	68	57
7/02/2024	250	32	219	350	131	68	63
8/02/2024	250	32	201	350	149	68	81
9/02/2024	250	32	226	350	124	68	55
10/02/2024	250	32	232	350	118	68	50
11/02/2024	250	32	285	350	65	68	(3)
12/02/2024	250	32	249	350	101	68	33
13/02/2024	250	32	241	350	109	68	41
14/02/2024	250	32	222	350	128	68	60
15/02/2024	250	32	287	350	63	68	(5)
16/02/2024	250	32	240	350	110	68	42
17/02/2024	250	32	246	350	104	68	36
18/02/2024	250	32	277	350	73	68	5
19/02/2024	250	32	309	350	41	68	(27)
20/02/2024	250	32	281	350	69	68	0
21/02/2024	250	32	267	350	83	68	15
22/02/2024	250	32	322	350	28	68	(40)
23/02/2024	250	32	292	350	58	68	(11)
24/02/2024	250	32	284	350	66	68	(2)
25/02/2024	250	32	308	350	42	68	(26)
26/02/2024	250	32	329	350	21	68	(48)
27/02/2024	250	32	305	350	45	68	(23)
28/02/2024	250	32	400	350	(50)	68	(118)
29/02/2024	250	32	382	350	(32)	68	(101)
1/03/2024	250	32	375	350	(25)	68	(93)
2/03/2024	250	32	285	350	65	68	(3)
3/03/2024	250	32	308	350	42	68	(27)
4/03/2024	250	32	286	350	64	68	(5)
5/03/2024	250	32	266	350	84	68	16
6/03/2024	250	32	295	350	55	68	(13)
7/03/2024	250	32	338	350	12	68	(56)
8/03/2024	250	32	358	350	(8)	68	(76)
9/03/2024	250	32	424	350	(74)	68	(142)
10/03/2024	250	32	375	350	(25)	68	(94)
11/03/2024	250	32	384	350	(34)	68	(103)
12/03/2024	250	32	385	350	(35)	68	(103)
13/03/2024	250	32	379	350	(29)	68	(97)
14/03/2024	250	32	294	350	56	68	(13)

15/03/2024	250	32	309	350	41	68	(27)
16/03/2024	250	32	275	350	75	68	7
17/03/2024	250	32	290	350	60	68	(8)
18/03/2024	250	32	313	350	37	68	(31)
19/03/2024	250	32	257	350	93	68	25
20/03/2024	250	32	303	350	47	68	(21)
21/03/2024	250	32	241	350	109	68	40
22/03/2024	250	32	272	350	78	68	10
23/03/2024	250	32	340	350	10	68	(58)
24/03/2024	250	32	260	350	90	68	22
25/03/2024	250	32	394	350	(44)	68	(112)
26/03/2024	250	32	301	350	49	68	(20)
27/03/2024	250	32	426	350	(76)	68	(145)
28/03/2024	250	32	390	350	(40)	68	(108)
29/03/2024	250	32	304	350	46	68	(22)
30/03/2024	250	32	273	350	77	68	9
31/03/2024	250	32	274	350	76	68	7
1/04/2024	250	32	272	350	78	68	10
2/04/2024	250	32	334	350	16	68	(53)
3/04/2024	250	32	260	350	90	68	22
4/04/2024	250	32	250	350	100	68	32
5/04/2024	250	32	199	350	151	68	83
6/04/2024	250	32	215	350	135	68	66
7/04/2024	250	32	230	350	120	68	52
8/04/2024	250	32	258	350	92	68	23
9/04/2024	250	32	269	350	81	68	13
10/04/2024	250	32	282	350	68	68	(0)
11/04/2024	250	32	221	350	129	68	61
12/04/2024	250	32	236	350	114	68	46
13/04/2024	250	32	239	350	111	68	42
14/04/2024	250	32	250	350	100	68	32
15/04/2024	250	32	292	350	58	68	(10)
16/04/2024	250	32	223	350	127	68	59
17/04/2024	250	32	228	350	122	68	53
18/04/2024	250	32	235	350	115	68	46
19/04/2024	250	32	222	350	128	68	60
20/04/2024	250	32	237	350	113	68	45
21/04/2024	250	32	263	350	87	68	18
22/04/2024	250	32	298	350	52	68	(16)
23/04/2024	250	32	275	350	75	68	6
24/04/2024	250	32	239	350	111	68	43
25/04/2024	250	32	241	350	109	68	41
26/04/2024	250	32	280	350	70	68	1
27/04/2024	250	32	234	350	116	68	47
28/04/2024	250	32	254	350	96	68	28
29/04/2024	250	32	255	350	95	68	26
30/04/2024	250	32	271	350	79	68	11
1/05/2024	250	34	216	350	134	66	67
2/05/2024	250	34	221	350	129	66	63
3/05/2024	250	34	217	350	133	66	66
4/05/2024	250	34	217	350	133	66	67
5/05/2024	250	34	228	350	122	66	56
6/05/2024	250	34	263	350	87	66	21
7/05/2024	250	34	256	350	94	66	28
8/05/2024	250	34	272	350	78	66	12
9/05/2024	250	34	340	350	10	66	(57)
10/05/2024	250	34	303	350	47	66	(20)
11/05/2024	250	34	290	350	60	66	(6)
12/05/2024	250	34	265	350	85	66	19
13/05/2024	250	34	292	350	58	66	(8)
14/05/2024	250	34	294	350	56	66	(10)
15/05/2024	250	34	301	350	49	66	(17)
16/05/2024	250	34	299	350	51	66	(16)
17/05/2024	250	34	296	350	54	66	(13)
18/05/2024	250	34	281	350	69	66	3
19/05/2024	250	34	289	350	61	66	(5)
20/05/2024	250	34	307	350	43	66	(23)
21/05/2024	250	34	316	350	34	66	(32)
22/05/2024	250	34	323	350	27	66	(39)
23/05/2024	250	34	296	350	54	66	(13)
24/05/2024	250	34	292	350	58	66	(8)
25/05/2024	250	34	285	350	65	66	(1)
26/05/2024	250	34	250	350	100	66	34
27/05/2024	250	34	309	350	41	66	(26)
28/05/2024	250	34	332	350	18	66	(48)
29/05/2024	250	34	359	350	(9)	66	(75)
30/05/2024	250	34	343	350	7	66	(60)
31/05/2024	250	34	343	350	7	66	(60)
1/06/2024	250	34	357	350	(7)	66	(73)
2/06/2024	250	34	325	350	25	66	(41)

3/06/2024	250	34	360	350	(10)	66	(76)
4/06/2024	250	34	380	350	(30)	66	(96)
5/06/2024	250	34	406	350	(56)	66	(123)
6/06/2024	250	34	393	350	(43)	66	(110)
7/06/2024	250	34	386	350	(36)	66	(102)
8/06/2024	250	34	314	350	36	66	(30)
9/06/2024	250	34	352	350	(2)	66	(68)
10/06/2024	250	34	392	350	(42)	66	(108)
11/06/2024	250	34	358	350	(8)	66	(74)
12/06/2024	250	34	346	350	4	66	(62)
13/06/2024	250	34	382	350	(32)	66	(98)
14/06/2024	250	34	350	350	0	66	(66)
15/06/2024	250	34	360	350	(10)	66	(76)
16/06/2024	250	34	380	350	(30)	66	(97)
17/06/2024	250	34	422	350	(72)	66	(138)
18/06/2024	250	34	470	350	(120)	66	(186)
19/06/2024	250	34	455	350	(105)	66	(171)
20/06/2024	250	34	475	350	(125)	66	(192)
21/06/2024	250	34	504	350	(154)	66	(220)
22/06/2024	250	34	504	350	(154)	66	(220)
23/06/2024	250	34	489	350	(139)	66	(206)
24/06/2024	250	34	454	350	(104)	66	(170)
25/06/2024	250	34	397	350	(47)	66	(113)
26/06/2024	250	34	398	350	(48)	66	(114)
27/06/2024	250	34	408	350	(58)	66	(124)
28/06/2024	250	34	353	350	(3)	66	(69)
29/06/2024	250	34	369	350	(19)	66	(85)
30/06/2024	250	34	430	350	(80)	66	(147)
1/07/2024	250	34	429	350	(79)	66	(146)
2/07/2024	250	34	415	350	(65)	66	(131)
3/07/2024	250	34	404	350	(54)	66	(120)
4/07/2024	250	34	381	350	(31)	66	(98)
5/07/2024	250	34	382	350	(32)	66	(98)
6/07/2024	250	34	340	350	10	66	(56)
7/07/2024	250	34	328	350	22	66	(44)
8/07/2024	250	34	366	350	(16)	66	(82)
9/07/2024	250	34	392	350	(42)	66	(108)
10/07/2024	250	34	357	350	(7)	66	(74)
11/07/2024	250	34	376	350	(26)	66	(93)
12/07/2024	250	34	349	350	1	66	(65)
13/07/2024	250	34	342	350	8	66	(58)
14/07/2024	250	34	367	350	(17)	66	(83)
15/07/2024	250	34	385	350	(35)	66	(102)
16/07/2024	250	34	356	350	(6)	66	(72)
17/07/2024	250	34	386	350	(36)	66	(102)
18/07/2024	250	34	398	350	(48)	66	(114)
19/07/2024	250	34	385	350	(35)	66	(102)
20/07/2024	250	34	342	350	8	66	(59)
21/07/2024	250	34	334	350	16	66	(50)
22/07/2024	250	34	369	350	(19)	66	(86)
23/07/2024	250	34	372	350	(22)	66	(89)
24/07/2024	250	34	384	350	(34)	66	(100)
25/07/2024	250	34	336	350	14	66	(52)
26/07/2024	250	34	373	350	(23)	66	(89)
27/07/2024	250	34	339	350	11	66	(56)
28/07/2024	250	34	377	350	(27)	66	(94)
29/07/2024	250	34	459	350	(109)	66	(175)
30/07/2024	250	34	479	350	(129)	66	(196)
31/07/2024	250	34	468	350	(118)	66	(184)
1/08/2024	250	34	472	350	(122)	66	(188)
2/08/2024	250	34	485	350	(135)	66	(201)
3/08/2024	250	34	458	350	(108)	66	(174)
4/08/2024	250	34	459	350	(109)	66	(175)
5/08/2024	250	34	555	350	(205)	66	(272)
6/08/2024	250	34	544	350	(194)	66	(260)
7/08/2024	250	34	494	350	(144)	66	(210)
8/08/2024	250	34	456	350	(106)	66	(172)
9/08/2024	250	34	448	350	(98)	66	(164)
10/08/2024	250	34	420	350	(70)	66	(137)
11/08/2024	250	34	403	350	(53)	66	(119)
12/08/2024	250	34	436	350	(86)	66	(152)
13/08/2024	250	34	430	350	(80)	66	(146)
14/08/2024	250	34	454	350	(104)	66	(170)
15/08/2024	250	34	410	350	(60)	66	(127)
16/08/2024	251	34	426	350	(76)	65	(141)
17/08/2024	251	34	380	350	(30)	65	(96)
18/08/2024	251	34	391	350	(41)	65	(106)
19/08/2024	251	34	401	350	(51)	65	(116)
20/08/2024	251	34	396	350	(46)	65	(112)
21/08/2024	251	34	383	350	(33)	65	(98)

22/08/2024	251	34	383	350	(33)	65	(98)
23/08/2024	251	34	344	350	6	65	(60)
24/08/2024	251	34	336	350	14	65	(51)
25/08/2024	251	34	321	350	29	65	(36)
26/08/2024	251	34	317	350	33	65	(32)
27/08/2024	251	34	324	350	26	65	(40)
28/08/2024	251	34	309	350	41	65	(24)
29/08/2024	251	34	314	350	36	65	(29)
30/08/2024	251	34	329	350	21	65	(44)
31/08/2024	251	34	324	350	26	65	(39)
1/09/2024	251	34	349	350	1	65	(64)
2/09/2024	251	34	265	350	85	65	20
3/09/2024	251	34	295	350	55	65	(10)
4/09/2024	251	34	303	350	47	65	(18)
5/09/2024	251	34	331	350	19	65	(46)
6/09/2024	251	34	335	350	15	65	(50)
7/09/2024	251	34	348	350	2	65	(63)
8/09/2024	251	34	349	350	1	65	(64)
9/09/2024	251	34	327	350	23	65	(42)
10/09/2024	251	34	377	350	(27)	65	(92)
11/09/2024	251	34	337	350	13	65	(52)
12/09/2024	251	34	330	350	20	65	(45)
13/09/2024	251	34	376	350	(26)	65	(92)
14/09/2024	251	34	333	350	17	65	(48)
15/09/2024	251	34	373	350	(23)	65	(89)
16/09/2024	251	34	403	350	(53)	65	(118)
17/09/2024	251	34	404	350	(54)	65	(119)
18/09/2024	251	34	315	350	35	65	(30)
19/09/2024	251	34	277	350	73	65	8
20/09/2024	251	34	321	350	29	65	(37)
21/09/2024	251	34	319	350	31	65	(35)
22/09/2024	251	34	336	350	14	65	(51)
23/09/2024	251	34	354	350	(4)	65	(69)
24/09/2024	251	34	358	350	(8)	65	(73)
25/09/2024	251	34	340	350	10	65	(56)
26/09/2024	251	34	334	350	16	65	(50)
27/09/2024	251	34	343	350	7	65	(58)
28/09/2024	251	34	367	350	(17)	65	(83)
29/09/2024	251	34	338	350	12	65	(53)
30/09/2024	251	34	375	350	(25)	65	(90)
1/10/2024	256	34	390	350	(40)	60	(100)
2/10/2024	256	34	383	350	(33)	60	(93)
3/10/2024	256	34	379	350	(29)	60	(89)
4/10/2024	256	34	336	350	14	60	(47)
5/10/2024	256	34	360	350	(10)	60	(70)
6/10/2024	256	34	363	350	(13)	60	(74)
7/10/2024	256	34	350	350	0	60	(60)
8/10/2024	256	34	355	350	(5)	60	(66)
9/10/2024	256	34	336	350	14	60	(47)
10/10/2024	256	34	302	350	48	60	(12)
11/10/2024	256	34	367	350	(17)	60	(77)
12/10/2024	256	34	361	350	(11)	60	(71)
13/10/2024	256	34	364	350	(14)	60	(75)
14/10/2024	256	34	370	350	(20)	60	(81)
15/10/2024	256	34	362	350	(12)	60	(72)
16/10/2024	256	34	360	350	(10)	60	(70)
17/10/2024	257	30	328	350	22	63	(40)
18/10/2024	257	30	309	350	41	63	(21)
19/10/2024	257	30	299	350	51	63	(11)
20/10/2024	257	30	331	350	19	63	(44)
21/10/2024	257	30	371	350	(21)	63	(84)
22/10/2024	257	30	363	350	(13)	63	(76)
23/10/2024	257	30	361	350	(11)	63	(73)
24/10/2024	257	30	331	350	19	63	(44)
25/10/2024	257	30	337	350	13	63	(50)
26/10/2024	257	30	348	350	2	63	(61)
27/10/2024	257	30	363	350	(13)	63	(76)
28/10/2024	257	30	362	350	(12)	63	(74)
29/10/2024	257	30	367	350	(17)	63	(79)
30/10/2024	257	30	343	350	7	63	(55)
31/10/2024	257	30	344	350	6	63	(57)
1/11/2024	257	30	323	350	27	63	(36)
2/11/2024	257	30	341	350	9	63	(53)
3/11/2024	257	30	331	350	19	63	(44)
4/11/2024	257	30	358	350	(8)	63	(71)
5/11/2024	257	30	369	350	(19)	63	(82)
6/11/2024	257	30	358	350	(8)	63	(71)
7/11/2024	257	30	362	350	(12)	63	(75)
8/11/2024	257	30	373	350	(23)	63	(86)
9/11/2024	257	30	349	350	1	63	(61)

10/11/2024	257	30	357	350	(7)	63	(69)
11/11/2024	257	30	367	350	(17)	63	(80)
12/11/2024	257	30	344	350	6	63	(56)
13/11/2024	257	30	397	350	(47)	63	(110)
14/11/2024	257	30	370	350	(20)	63	(83)
15/11/2024	257	30	343	350	7	63	(56)
16/11/2024	257	30	344	350	6	63	(56)
17/11/2024	257	30	381	350	(31)	63	(94)
18/11/2024	257	30	375	350	(25)	63	(88)
19/11/2024	257	30	360	350	(10)	63	(72)
20/11/2024	257	30	349	350	1	63	(61)
21/11/2024	257	30	393	350	(43)	63	(106)
22/11/2024	257	30	359	350	(9)	63	(72)
23/11/2024	257	30	369	350	(19)	63	(82)
24/11/2024	257	30	376	350	(26)	63	(89)
25/11/2024	257	30	423	350	(73)	63	(135)
26/11/2024	257	30	412	350	(62)	63	(124)
27/11/2024	257	30	407	350	(57)	63	(119)
28/11/2024	257	30	382	350	(32)	63	(95)
29/11/2024	257	30	382	350	(32)	63	(95)
30/11/2024	257	30	340	350	10	63	(53)
1/12/2024	257	30	375	350	(25)	63	(88)
2/12/2024	257	30	391	350	(41)	63	(103)
3/12/2024	257	30	352	350	(2)	63	(65)
4/12/2024	257	30	358	350	(8)	63	(70)
5/12/2024	257	30	345	350	5	63	(58)
6/12/2024	257	30	376	350	(26)	63	(88)
7/12/2024	257	30	321	350	29	63	(34)
8/12/2024	257	30	316	350	34	63	(28)
9/12/2024	257	30	373	350	(23)	63	(86)
10/12/2024	257	30	390	350	(40)	63	(103)
11/12/2024	257	30	355	350	(5)	63	(67)
12/12/2024	257	30	365	350	(15)	63	(77)
13/12/2024	257	30	381	350	(31)	63	(94)
14/12/2024	257	30	428	350	(78)	63	(141)
15/12/2024	257	30	401	350	(51)	63	(114)
16/12/2024	257	30	399	350	(49)	63	(112)
17/12/2024	257	30	363	350	(13)	63	(76)
18/12/2024	257	30	326	350	24	63	(38)
19/12/2024	257	30	328	350	22	63	(41)
20/12/2024	257	30	334	350	16	63	(47)
21/12/2024	257	30	334	350	16	63	(47)
22/12/2024	257	30	306	350	44	63	(19)
23/12/2024	257	30	295	350	55	63	(7)
24/12/2024	257	30	296	350	54	63	(9)
25/12/2024	257	30	291	350	59	63	(3)
26/12/2024	257	30	305	350	45	63	(18)
27/12/2024	257	30	309	350	41	63	(22)
28/12/2024	257	30	303	350	47	63	(15)
29/12/2024	257	30	315	350	35	63	(28)
30/12/2024	257	30	293	350	57	63	(6)
31/12/2024	257	30	278	350	72	63	10

The Australian Energy Regulator (AER) issued Pipeline Information Disclosure Guidelines (the Guideline) in October 2023 under Part 10 of the National Gas Rules. This guideline requires service providers to publish certain financial information in relation to pipelines.

This Basis of Preparation relates to the information reported for the Eastern Gas Pipeline (the pipeline) for the reporting period 1 January to 31 December 2024 (reporting period). Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd (collectively, service providers) are the service providers for the pipeline. For the purposes of section 1.7 of the Guideline, the members of the service provider group have appointed Jemena Eastern Gas Pipeline (1) Pty Ltd as the responsible service provider for the purposes of publishing the information.

The Eastern Gas Pipeline is a non-scheme pipeline under the National Gas Law.

To apply the guideline we have adopted the following general interpretations:

•Acquisition costs and associated dates (mainly in the Recovered Capital Method (RCM) template) are determined by reference to the ownership of the pipeline by the Jemena Group. This means for instance that acquisition of the pipeline occurred on 1 Aug 2007 when the Jemena Group acquired the pipeline.

•Actual information includes information calculated directly from information contained in Jemena Group's systems and other records whose presentation is not dependent on material judgement. Estimated information is anything other than actual information.

•To meet the requirements of the Guideline when compiling the RCM valuation (section 4.1) the service providers undertook all reasonable steps to obtain historical information where this was not already available to the Jemena Group. These steps are further explained in the RCM section of this basis of preparation.

The rest of this basis of preparation document explains how we have populated each of the templates required by the Guideline, including by identifying where estimated data was used when actual data was not available.

1. Pipeline information

Service providers are required to report the details of the pipeline, pipeline services provided and whether these services are provided to related parties and non-related parties.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
1.1	Pipeline details	N/A - No BoP Reference cells in the AER template	Pipeline Location and Length Number of Customers Service Type Pipeline Nameplate Capacity Construction Date	Actual	NA	**Pipeline Location and Length** GIS **Number of Customers** PypIT **Service Type** AEMC's gas pipeline register **Pipeline Nameplate Capacity** Refer to basis of preparation for Table 5.3. **Construction Date** 30th June 1998	NA	**Pipeline Location and Length** The pipeline lengths are calculated in the Geographic Information System (GIS) by summing the geometric lengths of the pipeline and all its laterals. Pipeline Map Link: 599-egp-ma-pl-014-supply-area-map-rev-4.pdf (jemena.com.au) **Number of Customers** Number of contracted customers are calculated by running a PypIT invoice summary report and pivoting this for the number of customers in the period. PypIT is the billing/invoicing system used by the pipeline. PypIT records customer contract information and provides customer volumes and revenue data by service type. **Service Type** As per AEMC's gas pipeline register of pipeline classification under the National Gas Law: https://www.aemc.gov.au/energy-system/gas/gas-pipeline-register **Pipeline Nameplate Capacity** Refer to basis of preparation for Table 5.3. **Construction Date** Construction date is interpreted as the mid-point of the year when construction commenced.	None Noted
1.2	Pipeline services provided	N/A - No BoP Reference cells in the template	Pipeline services provided	Actual	NA	PypIT	NA	Based on current service offerings as described below. **Service description** A Commercial Operations SME reviewed all services provided and made available to customers during the reporting period based on which the template was populated. **Provided to non-related parties** All services were provided to non-related parties based on a review of the PypIT customer listing and relevant supporting contracts. **Provided to related parties** No services were provided to related parties.	Other pipeline services provided This includes Day Ahead Auction revenue.

2. Revenue and expenses

An overview of the revenue generated from pipeline operations and the costs associated with the pipeline, published by pipeline services.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.1	Statement of pipeline revenue and expenses by service	NA	NA	NA	NA	NA	NA	NA	NA

2.1 Profit & Loss statement by components

An overview of the revenue generated from pipeline operations and the costs associated with the pipeline, published by P&L components.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D13:I22	Description: Direct revenue by pipeline	Actual	N/A	PypIT and SAP	None noted	**Amount excluding related party transactions:** **Total service revenue** Refer to Table ID 2.2.1, which includes an explanation of how revenue is allocated to 'Description' categories. **Customer Contributions revenue** None **Government Contributions revenue** None **Profit from sale of fixed assets & Other direct revenue** Items reported in this description category based on review of the SAP general ledger extract. **Other indirect revenue** None **Reporting period – Amounts excluding related party transactions** No related party revenue transactions were noted in the review of the SAP ledger transactions and the supporting customer artefacts, therefore all revenue has been reported within the 'Amount excluding related party transactions' column.	None Noted
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24:I45	Description: Direct expenses by pipeline Shared expenses by pipeline	Actual	N/A	SAP	None noted	The pipeline uses an Enterprise Resource Planning (ERP) system (SAP) to record its financial transactions. Costs are collected in planned maintenance orders (PMO) that cascade up to projects (WBS elements) in SAP based on the activity, on which an employee works or where an external supplier provides goods/services. Reporting tools (BI and Analysis for Office) are used to download the operating expenditure costs from SAP. The data is aggregated by WBS element and general ledger account code (cost element) and mapped into the relevant cost category of the template. **Related party and non-related party** The majority of costs that the service provider incurs are sourced from a related entity, Jemena Asset Management Pty Ltd (JAM). JAM records costs that are attributable to the service provider and uses SAP functionality to transfer such costs at zero margin to the service provider. These costs are reported in the 'related party transactions' column. **Direct costs and Shared costs** Direct and shared cost classification is based upon the activity/service category codes included as part of the WBS element structure for each project. An activity/service mapping table is used to map activities into relevant cost categories: -Direct Costs: For example, Commercial Management (customers and markets, strategy and market development, project development), Business Operations (integrated business performance, operations excellence, control room monitoring, commercial support), Asset management (asset investment, plant performance, planning & assessment, information & maintenance support), Service Delivery (construction, maintenance and faults, metering, emergency response). -Directly attributable costs are allocated to pipeline through a PM Order which is the lowest level cost collector. PM Order's settle or cascade up to a specific project (WBS) in SAP. -Shared Costs: Enterprise Support Functions (For example, executive management, finance, legal, human resources, information technology (IT) etc.). Note: Shared costs flow into Table 2.1.1 from Table 2.5.1 Shared cost allocation.	None Noted
								Mapping Opex into the template 'Description' categories The cost element description field from costs within the pipeline was used to map into the template's categories (e.g. 'wages', 'other direct costs', 'employee costs', 'indirect operating expenses', etc.). The pipeline has interpreted direct wages as the payroll costs of staff who are not enterprise support functions. The pipeline's shared employee costs are the allocated payroll costs of enterprise support function staff such as finance, legal, people, safety and environment. Where project descriptions and activity/service category codes support classification within a more specific category then the cost element-based mapping was overridden . The following description categories were populated based on project description/activity code mapping: -Information technology and communication costs -Rental and leasing costs -Repairs and maintenance -Leasing and rental costs Note: Insurance costs are included in the enterprise support costs as these are shared across the Jemena Group, therefore a $nil value has been reported for Direct Insurance costs. **Earnings before Interest and tax (EBIT)** Non-input cell.	None Noted
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24:I45	Description: Depreciation (Direct expenses by pipeline) Shared asset depreciation (Shared expenses allocated to pipeline)	Actual	N/A	SAP – Fixed Asset Movement Report (FAMR) and Equipment Register The SGSP (Australia) Assets Pty Ltd (SGSPAA) Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	None noted	**SAP FAMR** Depreciation expense was extracted from the annual SAP FAMR. **SGSPAA Group Consolidation supporting schedule** Depreciation expense was extracted from the SGSPAA Group Consolidation supporting schedule for pipeline assets not included in the SAP FAMR. Total depreciation was classified between direct depreciation and shared asset depreciation based on the mapping of the individual assets in the FAMR applied in Table 3.5.1 Depreciation. **Reporting period – Amounts excluding related party transactions** All depreciation expenses are recorded directly within the Pipeline and are not transferred from a related party entity and therefore are reported in the 'Amounts excluding related party transactions' column.	None Noted

2.2 Allocation to pipeline services
A breakdown of revenue and expanses by each pipeline services.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.2.1	Revenue by service	2.2.1RBS_D13:K23	Direct Revenue (excl. capital contributions)	Actual	N/A	PypIT and SAP	N/A	**Allocation to pipeline service & -Amount excluding related party transactions** **Allocator and Allocator justification:** Each PypIT Revenue Service ID is directly attributable to a specific category of Direct Revenue based on the contract details contained in PypIT and an assessment of the nature of the service provided. Each direct revenue line item's Allocation of Pipeline Service (%) is calculated as the revenue amount ($) per line item divided by the Total direct revenue amount ($). **Allocator justification:** Numeric quantities of allocators are displayed in the reporting template. **Non-PypIT Revenue (SAP)** SAP revenue items that are not sourced from PypIT do not relate to any of the standard categories shown in the template and are reported in the 'Other' Direct revenue category based on analysis of supporting SAP journal records. Other Direct revenue includes miscellaneous revenue items such as imbalance charges, odorization charges, Day Ahead Auction revenue and maintenance service contracts. **Reporting period – Amounts excluding related party transactions** Based on a review of PypIT customer records and SAP supporting records, the pipeline did not have any direct revenue sourced from related parties, therefore all revenue has been reported within the 'Amount excluding related party transactions' column.	None Noted
2.2.1	Revenue by service	2.2.1RBS_D25:K35	Capital Contributions	Actual	N/A	SAP	N/A	**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Capital contributions were sourced from the pipeline's SAP general ledger and allocated to the 'Description' revenue categories based on the Direct Revenue allocator. **Allocator justification**: The Direct revenue allocator was the most appropriate for Capital Contributions where capital contributions are not attributable to a specific revenue category i.e. Customers who make capital contributions may use multiple services. In terms of allocation to services where the intention of the connection was unclear at the time of the capital works agreement subsequent revenue for that connection point was used as a basis to allocate to the different service types. Numeric quantities of allocators are displayed in the reporting template. **Reporting period -Related party transactions** Based on a review of SAP supporting records, the pipeline did not have any Capital Contributions sourced from related parties.	None Noted
2.2.1	Revenue by service	2.2.1RBS_D37:K49	Indirect revenue allocated	Actual	N/A	SAP	N/A	No indirect revenue was reported as no indirect revenue was allocated to the pipeline during the reporting period as such amounts would have been recorded in the pipeline's SAP general ledger.	None Noted
2.2.2	Expenses by service	2.2.2EBS_D56:K66 2.2.2EBS_D80:K91	Total direct expenses (excl. depreciation) Total shared expenses (excl. depreciation)	Actual (except for allocation to pipeline services)	Direct expenses and Shared expenses are not directly attributed in SAP into a specific Direct revenue category	Direct revenue line items	Expenses have been allocated using revenue as an allocator.	**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Expenses were allocated to the 'Description' categories based on the Direct Revenue allocator. Allocation of Pipeline Service (%) calculated as Total direct expenses / Total shared expenses (excl. depreciation) ($) multiplied by Direct revenue line item amount ($) divided by the Total direct revenue amount ($) ratio. **Allocator justification:** The allocator is the most appropriate because there is a relationship between the economic benefits realised (direct revenue) and the economic benefits consumed (Direct expenses & Shared Expenses) as a result of operating the pipeline, and the service operator is not aware of a more appropriate allocation approach. Numeric quantities of allocators are displayed in the reporting template.	None Noted
2.2.2	Expenses by service	2.2.2EBS_D68:K78	Depreciation	Actual (except for allocation to pipeline services)	Assets and the resulting depreciation expense are not attributed in SAP into a specific Direct revenue category	Direct revenue line items		**Allocation to pipeline service & Amount excluding related party transactions** **Allocator:** Depreciation was allocated to the 'Description' categories based on the Direct Revenue allocator. Allocation of Pipeline Service (%) calculated as Total depreciation ($) multiplied by Direct revenue line item amount ($) divided by the Total direct revenue amount ($) ratio. **Allocator justification:** The allocator is the most appropriate because there is a relationship between the economic benefits realised (direct revenue) and the economic benefits consumed (depreciation) through utilisation of the Service Provider's assets, and the service operator is not aware of a more appropriate allocation approach. Numeric quantities of allocators are displayed in the reporting template.	None Noted

2.3 Revenue contributions

A list of capital contributions received (including both customer and government contributions).

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.3.1	Customer contributions received	N/A – No Basis of Preparation ID	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Customer contributions were recognised as revenue. The supporting journal documentation was reviewed to assess whether or not the contribution was received from a related party.	None Noted
2.3.2	Government contributions received	N/A – No Basis of Preparation ID	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Government contributions received. No such transactions were identified.	None Noted

2.4 Indirect revenue

A list of the indirect revenue allocated to the pipeline

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.4.1	Indirect revenue allocation	2.4.1.IRA	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Indirect revenue was received. Indirect revenue was reported as nil on the basis that there was no indirect revenue which was required to be allocated to the pipeline.	None Noted

2.5 Shared expenses

Service providers are required to allocate a fair proportion of shared costs such as corporate overheads to each pipeline.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
2.5.1	Shared expense allocation	2.5.1SEA_D15:J36	Description categories, Income statement account applied to, Shared costs excluding related parties, Shared costs paid to related parties, (Gross shared costs), % allocated to pipeline, Total allocated to pipeline excluding related parties, Total related party amounts allocated to pipeline (Net shared costs).	Actual	N/A	SAP	N/A	Shared Costs relate to enterprise support functions such as executive management, finance, legal, information technology (IT), human resources etc. Shared costs reported are those of the broader SGSPAA Group excluding Zinfra. **Description categories** The cost element description field was used to map costs into the template's 'Description' categories (e.g. 'Employee costs', 'Indirect operating expenses', etc.). Project descriptions were also used as a basis to categorise costs into description categories (e.g. 'Information technology and communication costs'). For costs other than labour, project descriptions and activity/service category codes were used for further specific categorisation. The following description categories were populated based on project description/activity code mapping: -Information technology and communication costs. -Rental and leasing costs. Income statement account applied to Each 'Description' category row in the template is the aggregation of multiple cost element description categories and Project descriptions therefore the column 'Income statement account applied to' has been populated as 'Various'.	None Noted
								Related party and non-related party: **Shared costs excluding related parties** Shared asset depreciation is the only value included in this column as depreciation is based on shared assets purchased by the Jemena Group and allocated to the pipeline. **Shared costs paid to related parties** The gross shared costs paid to related parties for enterprise support functions (e.g. Finance, Legal, Managing Director) are the total shared costs incurred across the Jemena Group before allocating to specific assets (e.g. pipelines). Gross shared costs are collected in SAP at the JAM entity. It is from this entity that the allocation of shared costs occurs. These allocated costs are transferred to the pipeline using SAP functionality and mapped into the template categories based on a methodology consistent with the approach outlined above for net shared costs, therefore based on: -cost element mapping and -project descriptions and activity/service category codes **Percent (%) allocated to pipeline and total allocated to pipeline excluding related parties,** As described above, the majority of shared costs that the pipeline incurs are sourced from a related entity JAM which records costs that relate to the pipeline and uses SAP functionality that transfers such costs at zero margin to the pipeline. These costs are reported in the 'Shared costs paid to related parties' column.	None Noted
								Allocator: Shared costs are allocated in the following ways: -Non directly attributable costs are allocated using two steps: -Step 1: Jemena Group level enterprise support function costs are allocated to the Pipelines group based on the specific causal drivers attributed to each separate type of Shared Cost, with a range of allocation drivers used as appropriate for each type of cost including surveys of headcount effort, surveys of digital application usage, emissions volumes, revenue and EBIT. -Step 2: Shared costs are then allocated to each pipeline based on a management survey of the support effort consumed by each pipeline. **Allocator justification:** The allocators used to allocate shared enterprise support function costs are the most appropriate because the allocator is the best estimate of the benefits consumed by the respective Jemena Group assets. The costs allocated to each shared expense 'Description' category (e.g. 'Employee costs', 'information technology and communication costs' etc.) is an aggregate of many projects with varying cost allocation percentages from the different shared functions. The percentage allocated to a pipeline is calculated as: Amounts allocated to pipeline divided by the gross amount across the Jemena Group. The shared costs allocated to the pipeline is sourced from SAP using a combination of projects and cost elements. Numeric quantities of allocators are displayed in the reporting template.	None Noted

3. Asset value - Depreciated Book Value Method (DBVM) (For Non-scheme pipeline only)
An overview of the assets utilised in the pipeline operations based on DBVM.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.1.1	Pipeline assets (DBVM)	3.1.1PADBVM_D18:E80 3.1.1PADBVM_D106:E119	Pipeline assets, Shared supporting assets	Per source material	N/A	FAR	Refer to assumptions in table 3.5.1: Pipeline assets at cost and table 3.5.2: Shared assets at cost.	Per source material for non-input cells referencing 'Table 3.5.1: Pipeline assets at cost' and 'Table 3.5.2: Shared assets at cost'. No revaluation of pipeline assets The service provider confirms that the pipeline's assets are measured at historical cost in accordance with AASB 116 Property, Plant and Equipment, none of the pipeline's assets have been revalued since the acquisition date. The pipeline does not depreciate land but does depreciate easements that have a fixed term life. To align with the presentation of information required in Table 3.1.1, the opening cost base in the comparative column has been revised to reflect the opening accumulated depreciation. Current year depreciation has been included in the additions for the current reporting period. **For shared assets** **Allocator:** Shared assets are allocated to pipelines in the following way: -Non directly attributable costs are allocated to pipelines based on the approved capex business case which outlines the case by case assessment of the specific SPSPAA Group business units that will benefit from the new asset. At the time of commissioning the new asset it is reassessed to confirm that the allocation to split the assets aligns with the expected benefits from the asset. . **Allocation Justification:** The Business Case and commissioning benefit review is the most appropriate allocator because it best aligns with how the future economic benefits from the assets are expected to be realised. Numeric quantities of allocators are displayed in the reporting template.	None Noted
3.1.1	Pipeline assets (DBVM)	3.1.1PADBVM_D97:E102	Other non-depreciable pipeline assets	Actual	N/A	SGSPAA Group Consolidation support schedule (Fair Value Adjustments and Goodwill) SAP	N/A	**Other non-depreciable pipeline assets - SGSPAA Group Consolidation support schedule** The amounts reported include goodwill which arose from the acquisition of the pipeline. As there is no specific Goodwill category, the pipeline has included $760,983,093 of goodwill in the 'Other non-depreciable pipeline assets' in the template. This category also includes other non-depreciable pipeline assets including receivables of $911,593,399, of which the intercompany receivables amount to $899,495,954 **Other non-depreciable pipeline assets – SAP TB** Amounts have been extracted from the pipeline's Trial Balances for the reporting period and include GL accounts such as accrued receivables, inventories, deferred tax assets and amounts due from related parties. SAP has functionality that records and identifies any transactions from related parties to the pipeline, known as trading partner. Related party loan accounts with each trading partner entity were aggregated, where the receivable amount was greater than the payable amount the net amount was reported in 'Other non-depreciable pipeline assets'. Where the payable amount was greater than the receivable amount the balance was a net liability and therefore not included in 'Other non-depreciable pipeline assets' in the template. The pipeline has a legally-enforceable right to set off the recognised amounts and the pipeline intends either to settle on a net basis or realise the asset and settle the liability simultaneously. In accordance with accounting standards the pipeline has netted off deferred tax assets and liabilities in its Balance Sheet.	None Noted
3.1.1		3.1.1PADBVM_D121:E123	Inventories, Deferred tax assets, Other assets	Actual	N/A	SAP	N/A	The pipeline's Inventories, deferred tax assets and other assets are not shared assets, they form part of Pipeline Assets and are reported on the row 'Other non-depreciable pipeline assets.	None Noted
3.1.2		3.1.2ICOPADBVM_D132	Initial costs of pipeline assets (DBVM)	Actual	N/A	Published Accounts of SGSP (Australia) Assets Pty Ltd	N/A	The acquisition costs incurred were sourced from Group's published accounts. Where necessary, Group costs were allocated to individual pipelines based on a valuation report from the acquisition.	None Noted

3.2 Asset value - Regulatory Asset Base (RAB) (For Scheme pipeline only) An overview of the assets utilised in the pipeline operations based on RAB.									
Table ID	**Table Name**	**BoP ID**	**Item Name**	**Estimated/Actual**	**Why Estimated**	**Source**	**Assumptions**	**Methodology**	**Additional Comments**
3.2.1	Pipeline assets (RAB)	3.2.1RAB	NA	NA	NA	NA	NA	NA	This table is only required for scheme pipelines. The pipeline is not a scheme pipeline.

3.3 Asset useful life

The asset useful life schedule, which provides the basis for calculating depreciation for different classes of assets and the reason for choosing this basis.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.3.1	Asset useful life	3.3.1AUL_D11:F39	Description (list each individual balance sheet item), Commission date (provide a range), Useful life years, Reason for choosing this useful life	Actual	NA	SAP	NA	**Description (list each individual balance sheet item)** The 'Description' column was referenced from the 'Description' column as listed in: -Table 3.3.1: Pipeline assets at cost -Table 3.3.2: Shared assets at cost Assets under construction (AUC) are assets that are still in the process of being constructed and not yet installed ready for use, therefore they are excluded from Table 3.1.1 The pipeline does not depreciate land but does depreciate easements that have a fixed term life. **Commission date (provide a range)** The assets in the FAMR sourced from SAP, have been aggregated into similar 'Description' items in Table 3.1.1. For each asset 'Description' category the date pipeline was commissioned and most recent asset commissioning dates were extracted for disclosure. **Useful life years** The useful life for each category was calculated based on the weighted average cost useful life formula below with the information sourced from FAMR. Weighted average cost useful life equals: (Opening Cost + Acquisitions+Retirements)/Total Description Cost Note that the Total Description Costs is the sum of Opening cost + Additions– Retirements. $*Asset\ useful\ life$ Asset class with an indefinite useful life has been excluded from the above calculation.	None Noted
				Actual	NA		NA	**Reason for choosing this useful life** The pipeline defines the useful (economic) life of individual assets in accordance with Australian Accounting Standards and the period over which the pipeline expects to derive economic value from the asset. The estimation of the economic useful life of an asset is a matter of judgement based on the Jemena Group's experience with similar assets and consideration of the specific circumstances relevant to that asset. Additionally, economic useful life of an asset is considered in relation to the life assigned to similar assets within the asset category. Because an asset category contains a significant number of assets that have different useful lives, the useful lives reported in Table 3.3.1 reflect the weighted average of the standard asset lives of the assets included in the relevant asset category.	None Noted

3.4 Asset impairment

A schedule of impairments made to pipeline assets and impairment reversals.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.4.1	Asset Impaired	3.4.1AI	Asset description, Impairment amount $ nominal, Impairment date, Basis for impairment	Actual	NA	SAP	NA	Reviewed the SAP general ledger to identify whether any impairment transactions have been recorded. No Impairment recorded for the current year.	None Noted
3.4.2	Asset Impairment Reversals	3.4.1AIR	Asset description, Prior Impairment amount $ nominal, Impairment date, Basis for impairment, Reversal amount $nominal, Reversal date, Basis for Reversal	Actual	NA	SAP	NA	Reviewed the SAP general ledger to identify whether any reversal of impairment transactions have been recorded.	None Noted

3.5 Depreciation amortisation

A depreciation schedule to show the depreciation calculation for pipeline assets,

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.5.1 3.5.2	Pipeline assets at cost - pipeline assets & Shared assets at cost (less straight-line depreciation)	3.5.1PAAC_C15:Q59 3.5.2SAAC_D66:P84	Description, Category, Acquisition date (provide a range), Useful life, Estimated residual value, Opening Cost Base , Current year additions, Current year capitalised Maintenance or improvements, Current year disposals or Early termination, Adjusted Cost Base, Prior years' accumulated depreciation Current year depreciation, Written Down Value	Actual	NA	SAP FAMR and equipment listing report The SGSPAA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	NA	Downloaded the annual SAP FAMR which lists individual assets. Directly attributable costs are allocated to pipeline through a PM Order which is the lowest level cost collector. PM Order's settle or cascade up to a specific Capex project (WBS) in SAP. Capex WBS settle to the specifically identifiable assets in the SAP FAR. **Category** Each asset was mapped into the relevant categories provided in the AER template drop down list (e.g. Pipeline, Compressor, City Gates etc.) based on: -analysis of the FAMR Asset description & Asset class; -input from engineers and subject matter experts; and -where relevant, analysis of a separate corresponding equipment listing report which contains more detailed information than the FAMR. **Description** The asset description was mapped to the categories in the template except for the following items which were not included in the AER's drop down list of categories: AUC Network, AUC-Intangibles, AUC Non-Network. AUC are assets that are still in the process of being constructed and not yet installed ready for use. Therefore depreciation expense was not yet applied. **Acquisition date (provide a range)** Refer to 'Commission date' explanation for Table 3.3.1 Asset useful life. **Useful life** Refer to 'Useful life' explanation for Table 3.3.1 Asset useful life. **Estimated residual value** The service provider has estimated there to be no residual value for all pipeline assets which is in accordance with its internal Property, Plant and Equipment policy and aligns with AASB 116 Property, Plant and Equipment which recognises that in practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount (AASB 116(53)).	None Noted
								Opening Cost Base, Current Year Additions and Current Years Disposals or Early Terminations, Prior years' accumulated depreciation **Current year depreciation, Written Down Value** The annual SAP FAMR report was generated with asset 'Category' detail overlayed (per 'Category' explanation above') which included separate columns for: -Opening Cost Base -Current Year Additions -Current Years Disposals or Early Terminations -Prior years' accumulated depreciation -Current year depreciation -Written Down Value The pipeline does not depreciate land but does depreciate easements that have a fixed term life. To align with the presentation of information required in Table 3.1.1, the opening cost base in the comparative column has been revised to reflect the opening accumulated depreciation. Current year depreciation has been included in the additions for the current reporting period. **Capitalised Maintenance** The pipeline does not have any capitalised maintenance. Maintenance costs such as day to day servicing including labour, consumables and spare parts are excluded from measurement of an item of PPE in accordance with the SGSPAA Group's PPE policy and AASB 116 (12). **Other depreciable pipeline assets - SGSPAA Group Consolidation support schedule** Contract intangibles and Capitalised interest if any sourced from the SGSPAA Group Consolidation support schedule have been reported within the 'Other depreciable pipeline assets' category.	None Noted

3.6 Shared supporting assets

Provides the basis for allocating shared assets to the pipeline.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
3.6.1	Shared supporting asset allocation	3.6.1SSAA__C15:G47	Description (list each individual shared asset category greater than 5%), Category of shared assets, Total amount, % allocated to pipeline, Total allocated to pipeline	Actual	NA	SAP – FAMR & project cost download for Shared Assets Capex at the pipeline's level.	None noted	**Description (list each individual shared asset category greater than 5%)** 'Shared asset' category description' in the FAMR were reported in Table 3. 5.2. Interpreted that shared asset category additions during the reporting period were to be disclosed when greater than 5% of Total Shared costs were allocated to the service provider's pipeline. Shared property, plant and equipment – Additions in Table 3.1.1 align to Table 3.6.1 additions. **Category of shared assets** The 'Category of shared assets' was reported as 'Other Shared' based on the nature of the asset additions and referenced to the drop down list of categories in Table 3.5.2. **Total amount** Costs are collected in projects (WBS elements) in SAP based on the activity, on which an employee works or an external supplier provides goods/services. For shared assets the capex costs are collected in a WBS element before allocating the shared asset costs to the relevant pipelines/distribution network assets. EGP aggregates the shared asset additions into the relevant asset classes as per the template. **% allocated to pipeline** The percentage allocated to the pipeline was calculated as: 'Total allocated to the pipeline' divided by the 'Total Amount' Where: -'Total allocated to the pipeline' is defined below; and -''Total Amount' is defined above. **Total allocated to pipeline** Shared Asset additions during the reporting period were aggregated by the 'Asset class description' field in the FAMR. Refer to Table ID 3.1.1 for the explanation of how shared assets were allocated to the pipeline.	None Noted

4. Asset value - Recovered Capital Method (RCM)
The asset valuation statement arising from the application of the Recovered Capital Method.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
4.1	Pipeline assets (RCM)	4.1PARCM_F14:BH14	Pipeline assets: Construction cost (1998-2001) Capital expenditure recorded as being incurred in the years 1998-2001 (inclusive) represents the initial construction cost of the pipeline.	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology) **2001:** This expenditure was incurred prior to Jemena's acquisition of the pipeline. To the best of our knowledge and belief EGP does not have within its possession or control, information that could be used to provide a description of works that were undertaken in 2001. Enquiries were made with previous owners however EGP was unable to obtain a description of the works undertaken in 2001. Based on discussion with the SME the cost should be categorised as a construction cost as there is no evidence of expansion on that year.	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F15:BH15	Pipeline assets: Residual value (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F15:BH15	Pipeline assets: Residual value (2024)	Estimate	Cost have not yet been incurred to decommission the pipeline, therefore an estimate is inherently required to measure future costs. Further the actual timing of decommissioning the pipeline is also uncertain therefore increasing the level of estimation required. Further, the CPI escalation factor and the discount rate inputs are estimates used to inflate for forecast future price increases and then discount to the present value respectively.	Expert Engineering Report Inflation rate: SGSPAA internal 2024 budgeted CPI Discount rate: 5 year average rate for 15 year Australian Government Securities (AGS) bonds	Negative residual value is interpreted as the present value of the forecast decommissioning cost that EGP will pay when the pipeline is removed from service in the future. The expert engineering report is a reasonable basis for estimating the cost to decommission the pipeline. The 5 year average of the 15 year AGS bonds are appropriate to estimate rate of return for present value calculation purposes.	Negative residual value is calculated as: $$PV(Decommissioning)_{\tau_E} = C_{\tau_E} \times \frac{(1+i)^{\tau_D - \tau_E}}{(1+r)^{\tau_D - \tau}}$$ Where: -C_(T_E) is the estimated cost of decommissioning in dollars as at time T_E -T_D is the expected year of decommissioning -i is the estimated inflation rate -r is the estimated discount rate -t is the year of the estimate An expert Engineering report is the basis for estimating the decommissioning cost (C_(T_E)). Phasing of Negative Residual value The year 1 value of the decommissioning cost was reported in year 1. From 2021 onwards, each year's increment negative residual value is calculated as the movement in total negative residual value between that year and the prior year	The estimate is a best estimate because it has been calculated based on the following inputs which are sourced based on best available information: Independent technical engineering estimate of the cost to decommission the pipeline. Discount rate: 5 year average for the 15 year Australian Government Securities (AGS) bond rate. CPI escalation: SGSPAA internal CPI estimate (reasonable when compared with Australian Bureau of Statistics (ABS) rate). The pipeline's decommissioning provision reflects a bottom-up cost estimate of various remediation activities. Consistent with AS2885, the service provider used a risk-based approach to determine a mix of appropriate remediation activities for different equipment/facility types and locations, taking into account factors including expected future land use. Remediation activities include the removal of all above-ground facilities, various remediation treatments for underground pipeline (for example, grouting in higher risk locations such as road/rail/river crossings, and leaving the pipeline in place with controls in lower risk locations) and ground cover remediation/revegetation of easements as appropriate for the surrounding land.
4.1	Pipeline assets (RCM)	4.1PARCM_F16:BH16	Pipeline assets: Additions (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F16:BH16	Pipeline assets: Additions (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	Additions per the FAMR were cash related. All additions are incurred mid-year.	EGP uses SAP to capture costs associated with capital expenditure. A FAMR was downloaded from SAP for each year to identify additions during that year. A check was performed to reconcile FAMR movements with the net change in fixed asset general ledger accounts. **Mid-point Net Capital Expenditure Gross Up** Capex additions and disposals for each year are escalated to a mid-year point to account for the return on capital for capital expenditure incurred during the year. $$Mid\ Point\ Gross\ Capex = Capex \times (1 + RoR\ percentage)^{0.5}$$ The Rate of Return (RoR) percentage input calculation methodology is further below in this table	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F17:BH17	Pipeline assets: Maintenance capitalised (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F17:BH17	Pipeline assets: Maintenance capitalised (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	No data for capitalised maintenance was noted in the review of the FAMR and the relevant SAP Trial Balances. : Maintenance capitalised	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F18:BH18	Pipeline assets: Disposal at cost (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)

4.1	Pipeline assets (RCM)	4.1PARCM_F18:BH18	Pipeline assets: Disposal at cost (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipelines (1) Pty Ltd Jemena Eastern Gas Pipelines (2) Pty Ltd	All disposals are incurred mid-year. Assumed proceeds from sales includes 10% GST on taxable supply applied to the sales amount. Disposal (as cost) has been interpreted to mean cash proceeds from the sales of property, plant and equipment which is the equivalent to the cost paid by the 3rd party which acquired the asset.	Extracted the following item from the FAR: Proceeds from sales of property, plant and equipment. Where there is an amount for Proceeds on sales of property, plant and equipment, GST has been removed by multiplying the proceeds by 10/11. Mid-point Net Capital Expenditure Gross Up Refer to Construction Cost - Mid-point Net Capital Expenditure Gross Up explanation.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F24:BH24	Shared assets: Additions (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F24:BH24	Shared assets: Additions (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	Assets were aggregated by year based on the year within the Capitalisation date (date field). Shared assets were identified based on: analysis of the FAMR Asset description & Asset class; input from engineers and subject matter experts; and where relevant, analysis of a separate corresponding equipment listing report which contains more detailed information than the FAMR. Shared asset additions were aggregated by year based on the year within the field Capitalisation date.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F22:BH23 , 4.1PARCM_F25:BH26	Shared assets: Construction cost or acquisition cost (where allowed) apportioned, Residual value, Maintenance capitalised, Disposal (at cost) (1998-2023)	Estimate (1998-2006) and Actual (2007-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F22:BH23 , 4.1PARCM_F25:BH26	Shared assets: Construction cost or acquisition cost (where allowed) apportioned, Residual value, Maintenance capitalised, Disposal (at cost) (2024)	Actual	N/A	SAP Trial Balances and FAMR Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd	N/A	No data for the following items were noted in the review of the SAP FAMR and the relevant SAP Trial Balances: Construction cost or acquisition cost (where allowed) apportioned, Maintenance capitalised Disposal (at cost)	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F31:BH31	Return of capital: Revenue (1998-2023)	Actual	N/A	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F31:BH31	Return of capital: Revenue (2024)	Actual	N/A	SAP Trial Balances of: Jemena Eastern Gas Pipelines (1) Pty Ltd. and Jemena Eastern Gas Pipelines (2) Pty Ltd	The only revenue of the entity was pipeline revenue.	EGP uses its SAP system to capture revenue transactions. A calendar year trial balance was generated from the SAP system and the revenue general ledger accounts were aggregated.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F32:BH32	Return of capital: Operating expenses (1998-2023)	Estimate (2000-2018) and Actual (1999, 2019-2023)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F32:BH32	Return of capital: Operating expenses (2024)	Actual	N/A	SAP Trial Balances of: Jemena Eastern Gas Pipelines (1) Pty Ltd. and Jemena Eastern Gas Pipelines (2) Pty Ltd	No material non-cash items are included in the operating expenditure general ledger accounts reported. Depreciation is the key non-cash item which has been removed.	Extracted and summed the dollar amounts of operating expenditure general ledger accounts from each calendar year's trial balance excluding: Interest Depreciation, and Tax Expense.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F33:BH33	Return of capital: Net tax liabilities (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)

4.1	Pipeline assets (RCM)	4.1PARCM_F33:BH33	Return of capital: Net tax liabilities (2024)	Estimate	EGP is part of a consolidated tax group and does not pay corporate tax as a stand-alone entity. Therefore the net tax liability needs to be estimated.	SAP Trial Balances of : Jemena Eastern Gas Pipeline (1) Pty Ltd, and Jemena Eastern Gas Pipeline (2) Pty Ltd Gamma (imputation credits) has been sourced from the AER's 2022 Rate of Return Instrument.	'Net tax liability' is interpreted as the notional cash tax payable that would be payable if the pipeline was a stand-alone entity less the estimated imputation credits received by the stand-alone entity. When estimating each year's tax depreciation, current year net capex was assumed to be incurred mid-year and therefore only a half year of depreciation was incurred.	The pipeline is part of a consolidated tax group and does not pay corporate tax as a stand-alone entity. Therefore the net tax liability needs to be estimated. The accounting profit and loss has been reviewed to identify material non-cash items that may require adjustment for when estimating the net tax liability cash flow. Net tax liability is calculated as: (Profit/(loss) before interest, tax, depreciation and amortisation Less Estimated tax depreciation Less Estimated interest expense) multiplied by the tax rate (i.e. 30%). Multiplied by (1-Gamma) to consider the tax benefit of the imputation credits. Tax Depreciation sourced from the SAP Fixed Asset Tax Register. Interest expense sourced from SGSP (Australia) Assets Pty Ltd ("SGSPAA") Annual Report segment note calculated as: SGSPAA interest expense multiplied by Pipeline total assets divided by SGSPAA Total Assets. Gamma (imputation credits) have been sources from the AER's RoR instrument for 2022. (57%)	EBITA is the best approach for calculating the cash flows each year and therefore is the most appropriate input into the net tax liability calculation. EBITA has been sourced from actual historic records and therefore has been arrived at on a reasonable basis. The first year of post-acquisition tax depreciation is the most appropriate basis to estimate pre-acquisition tax depreciation because it is based on an actual data source.
4.1	Pipeline assets (RCM)	4.1PARCM_F35:BH35	Return of capital: Return on capital (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F35:BH35	Return of capital: Return on capital (2024)	Estimate	Dependent on rate of return estimates.	Rate of return sources are explained in Item'Return of capital: Return on capital (Rate of return)' (2024) in this table below.	N/A	Return on capital for a given year is estimated as the opening asset value for that year multiplied by the rate of return percentage for that year. The rate of return is explained in Item 'Return of capital: Return on capital (Rate of return)' (2024) in this table below.	N/A
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	Return of capital: Return on capital (Rate of return) (1998-2023)	Estimate	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Estimated Information)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Source)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Assumptions)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets – Methodology)	Refer to the EGP Basis of preparation for CY 2023. (13. Recovered Capital Method – Pipeline Assets)
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	Return of capital: Return on capital (Rate of return) (2024)	Estimate	Consistent with the AER's Pipeline Information Disclosure Guideline requirements	The rate of return is estimated consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines and with reference to the following source inputs: Gearing: SGSPAA Financial Report Balance Sheet and Treasury Report. Cost of debt: SGSPAA Financial Report and Treasury Report. Risk-free rate: RBA Treasury Bonds – Daily – F16 Indicative mid rates of selected Australian Government Securities Equity beta: Estimated from a sample of listed international comparators from OECD countries (0.89) Market Risk Premium (MRP): AER's RoR instrument for 2022 (6.2%)	Gearing The proportion of debt funding to capital is referred to as 'gearing'. EGP applies a percentage reflecting SGSPAA's actual portfolio gearing of the reporting period, consistent with the AER's Pipeline Information Disclosure Guideline. Gamma (Imputation credits) 57% as determined in the AER's 2022 RoR instrument. Cost of debt (pre-tax) Calculated as the SGSPAA actual portfolio cost of debt for the reporting period, consistent with the AER's Pipeline Information Disclosure Guideline. Cost of equity (post-tax) $r_e = r_f + \beta_e(r_m - r_f)$ EGP adopts the methodology consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines.	**<u>Weighted Average Cost of Capital (WACC)</u>** EGP estimates the rate of return as the nominal vanilla WACC. This approach estimates the rate of return as the weighted average of opportunity costs assessed across two sources of capital funding: debt and equity. $WACC^{vanilla} = gearing \times r_d + (1 - gearing) \times r_e$ Where r_d is the cost of debt, and r_e is the cost of equity. Gearing The proportion of debt funding 'gearing' has been sourced consistent with the requirements of the AER's Pipeline Information Disclosure Guidelines using current financial information used in statutory, management and budgeting reporting. Cost of debt Cost of debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt. Cost of equity. The cost of is estimated using the Sharpe-Lintner capital asset pricing model (S-L CAPM). $r_e = r_f + \beta_e(r_m - r_f)$ where: r_e is the cost of equity; r_f is the risk free rate; $r_m - r_f$ is the Market Risk Premium (**MRP**); and β_e is the equity beta.	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting. The data inputs into the WACC have been sourced from published AER accepted sources aligning to Part 10 consistent with the AER's Pipeline Information Disclosure Guidelines
								<u>Equity beta:</u> Estimated from a sample of listed international comparators from OECD countries with the following criteria: be in all three of: (1) Bloomberg Industry Classification (BICs): Gas Distribution or Midstream Oil and Gas (2) MSCI and S&P Dow Jones Indices Global Industry Classification (GICs): Gas Utilities or Oil and Gas transport (3) FTSE Russell Industry Classification Benchmark (ICB): Gas distribution or Pipeline –have an investment grade credit rating from S&P, Moody's or Fitch –with liquidity (bid-ask-spread) of less than 0.5% –has gearing greater than 0% **<u>Risk-free rate:</u>** Estimated shortly prior to the commencement of the year for which the rate of return is being set. This is estimated by reference to 10-year RBA Treasury Bonds for a 10-day period from 20 October 2023 to 2 November 2023	
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	For information: Rate of return (WACC) (1998-2024)	Estimate	Impact of Rate of return components.	Items 'Return of capital: Return on capital'(2024) in this table above.	N/A	**<u>Rate of return (WACC)</u>** = Return on capital in row 35 of the template / Opening asset value in row 38 of the template Where the opening or closing asset value (excluding negative residual value) is zero, we report N/A	N/A

4.1	Pipeline assets (RCM)	N/A	Additional comments	N/A	N/A	N/A	N/A	N/A	The depreciated book value method and recovered capital method are fundamentally different methodologies and should generally be expected to result in different asset values. The depreciated book value method reflects depreciation applied in accordance with applicable accounting standards and a standard asset life, whereas the recovered capital method determines return of capital (depreciation) by considering the revenue generated and costs associated including operating expenses, net tax liabilities, and return on capital. As described above, under the RCM, pipeline asset additions are subject to a mid-point net capital expenditure gross up, while this adjustment is not made to additions reported under the DBVM. Additionally, the RCM considers the construction costs as incurred, whereas the DBVM may also consider other costs associated with the purchase of the pipeline.

4.1 Pipeline capital expenditure

Capital expenditure greater than 5% of construction cost, historical expansions/extensions and any planned expansions/extensions that have advanced to "Final Investment Decision" stage.

Table ID	Table Name	BoP ID	Item Name	Estimated /Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
4.1.1	Capital expenditure greater than 5% of construction cost	4.1.1CEGTOCC_D15:E41	Description of works, Date recognised, Expenditure ($ nominal)	Actual	N/A	SAP	Capital expenditure recorded as being incurred in the years 1998-2001 (inclusive) represents the initial construction cost of the pipeline.	The service provider analysed the underpinning data for the RCM template and with a view to identifying any projects where capex was greater than 5% of the construction cost across the years. **Actual** The service provider extracted Description of works, Date recognised and Expenditure ($ nominal) from the SAP FAMR, SAP WBS elements cost download.	None Noted
4.1.2	Historical expansions and extensions	4.1.2HEAE_C47:E73	Description of works, Date recognised, Expenditure ($ nominal)	Actual	N/A	SAP FAMR	N/A	The service provider analysed the underpinning data for the RCM template to identify any projects where there was capital expenditure incurred for historical expansions and extensions. Reviewed the SAP FAMR and identified high value assets additions. Reviewed the high value asset additions and extracted the following data: Asset description, date capitalised and asset cost base. Reviewed the high value assets items with SME to confirm that the data extracted from the SAP FAMR aligned with SME knowledge of historic expansions and extensions To ascertain the technical details of the expansion and extension projects of the EGP, the service provider referred to information including its fixed asset register, relevant design basis documents, asset management plans, and engineering estimates of asset capacity that are in the service provider's possession, as well as internal business SMEs. Mila Compressor station increased capacity on the EGP by 54 TJ/day. The compressor was commissioned on July 2008. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. 4th Compressor at Longford. This additional compressor at Longford provided a dedicated compressor (compressor 3) for the TGP, providing 100 TJ/day for the TGP. By allowing the other 3 compressor (1, 2, 4) at Longford to solely deliver compression on the EGP. The compressor was commissioned on April 2010. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1 The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1.	None Noted
								The Wilton pipeline interconnect is a short lateral between the EGP and the APA Group/Jemena Gas Network station at Wilton with a connection into both the APA side (upstream of the Short-Term Trading Market) and JGN side. The lateral has capacity of 150 TJ/day and was commissioned on January 2016. Direct capital expenditure associated with this project is set out in the reporting template Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1. The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. Midline compressor project built two compressors on the EGP at East Gippsland and Michelago. The project includes 2 compressor units plus an upgrade to the Horsley Park meter station. The project increased capacity on the EGP by 60TJ/day and was commissioned on January 2016. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1.The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1. The Port Kembla Energy Terminal Lateral connects the Squadrons import terminal at Port Kembla to the EGP at Kembla Grange. The lateral is 7.8 Km in length and the project included an upgrade to Jemena's existing Kembla Grange facility to include a metering station. It was mechanically completed in November 2023 and has an estimated nameplate rating of 522 TJ/day. Direct capital expenditure associated with this project is set out in the reporting template. Incremental operating expenditure in relation to this project is not able to be identified, as the service provider was not required to record information in such a manner when this project was undertaken. Assets constructed and installed as part of this project may be used to provide a range of pipeline services, and costs are allocated consistent with the allocation methodology set out in relation to template 2.2.1.The asset lives of the pipeline assets constructed and installed as part of this project are consistent with the standard asset lives reflected in table 3.3.1	None Noted
4.1.3	Planned expansions and extensions of capacity	4.1.3.PEAEOC	Description of the matter Proposed commissioning date, or a range of dates Expected end date, or a range of dates Facility's proposed nameplate rating, or the estimated likely range during affected period Proposed expenditure (if available, required for publicly announced expansions)	Actual	N/A		N/A	Planned expansions and includes only those projects for which a Financial Investment Decision (FID) has been taken by the end of the current reporting period. Detail for new projects (description, proposed commissioning dates, proposed nameplate rating, proposed expenditure etc.) was provided by relevant SMEs. The pipeline had no planned expansions and/or extensions as at the end of the current reporting period which had passed Financial Investment Decision (FID). Confirmation obtained from commercial team that there are no major planned expansions and extensions of capacity.	None Noted

5. Historical demand Information on the amount of capacity that was contracted in each financial year and the amount of capacity that was actually used in each financial year.									
Table ID	**Table Name**	**BoP ID**	**Item Name**	**Estimated/Actual**	**Why Estimated**	**Source**	**Assumptions**	**Methodology**	**Additional Comments**
5.1	Historical Demand Information	NA	Historical demand information	NA	NA	NA	NA	NA	None Noted
5.2	Demand by pipeline service	N/A	Contracted MDQ: TJ/day	Actual	NA	PypIT	NA	A daily Contracted MDQ report by PID service category (e.g. Firm forward) was downloaded from PypIT for each day in the reporting period. Values shown are the average of contracted MDQ for each day in the reporting period. Note that only service types which constitute 'contracted capacity' as defined in Part 25 of the National Gas Rules are considered within the calculation of contracted MDQ The average service category Contracted MDQ equals sum of each service categories contracted volumes for each day the reporting period divided by the number of days in the reporting period.	None Noted
5.3	Daily demand	N/A	Contracted firm capacity-transportation Contracted firm capacity-storage Utilised capacity Pipeline nameplate capacity	Actual	NA	PypIT	NA	Daily demand information has been extracted from PypIT. Separate daily Contracted MDQ reports by service category (e.g. Firm forward) were downloaded from PypIT for each day in the reporting period. The reports utilised a PypIT field attached to each service which flags whether a service constitutes 'contracted capacity' (as defined in Part 25 of the National Gas Rules). **Contracted firm capacity – transportation** The contracted firm capacity (transportation) per day was calculated as the sum of daily contracted MDQ of each contracted firm active transportation service. **Contracted firm capacity – storage** The contracted firm capacity (storage) per day was calculated as the sum of daily contracted MDQ of each contracted firm storage service (i.e. Premium Park service). **Utilised capacity** A PypIT daily reconciliation report was downloaded from PypIT. The daily utilised capacity is calculated as the sum of deliveries for the day plus, net volumes of gas held within park and park and loan services. **Pipeline nameplate capacity** The pipeline nameplate capacity is sourced from the business' pipeline capacity engineering records. Where a pipeline has more than one nameplate rating, the sum of each nameplate rating is displayed in the template.	None Noted

6. Pricing template

Provide a process or mechanism by which users and prospective users can transform the financial and historical demand information published by service providers into one or more cost-based pricing benchmarks.

Table ID	Table Name	BoP ID	Item Name	Estimated/Actual	Why Estimated	Source	Assumptions	Methodology	Additional Comments
6.1	Inputs	N/A	Asset allocation to pipeline service %	Estimate	Assets are not allocated a pipeline service	Table 2.2.1 Direct revenue line items		Asset allocation to pipeline service Allocator: Ratio of the Direct revenue line item and Total Direct Revenue (excluding customer contributions). Refer to BoP for Table 2.2.2for Direct Expenses Service allocation percentage details. Allocator justification: The allocator is the most appropriate because there is no direct link between the assets and any individual category of service. Hence allocation on the basis of revenue is most appropriate.	None Noted
6.1	AER Input	N/A	AER inputs: Average regulatory return on debt	Actual	N/A	The Average regulatory return on debt is calculated with reference to the following source inputs: SGSPAA Financial Report interest expenses and interest bearing liabilities.	Calculated as the SGSPAA actual portfolio cost of debt for the reporting period.	Average regulatory return on debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt for the year ended 31 December 2024.	N/A
6.1	AER Input	N/A	AER inputs: Gearing	Actual	N/A	Gearing: SGSPAA Financial Report Balance Sheet as at 31 December 2024.	The proportion of debt funding to capital is referred to as 'gearing'. A percentage reflecting SGSPAA's actual gearing of the reporting period is applied.	The proportion of debt funding 'gearing' has been sourced based on guidance from Part 10 guidance using current financial information used in statutory, management and budgeting reporting.	N/A
6.1	AER Input	N/A	AER inputs: Statutory tax rate	Actual	N/A	Statutory tax rate has been sourced from the ATO.	N/A	Statutory tax rate has been sourced from the ATO. (30%)	N/A
6.1	AER Input	N/A	AER inputs: Gamma	Actual	N/A	Gamma (imputation credits) have been sourced from the AER's 2022 Rate of Return Instrument.	N/A	Gamma (imputation credits) have been sourced from the AER's RoR instrument for 2022. (57%)	N/A
6.1	AER Input	N/A	AER inputs: Average regulatory rate of return	Estimate	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting.	The rate of return is estimated with reference to the following source inputs: Gearing: Gearing: SGSPAA Financial Report Balance Sheet as at 31 December 2024. Cost of debt: Cost of debt: SGSPAA Financial Report interest expenses and interest bearing liabilities as at 31 December 2024. Risk-free rate: RBA Treasury Bonds – Daily – F16 Indicative mid rates of selected Australian Government Securities Equity beta: Estimated from a sample of listed international comparators from OECD countries (0.89) Market Risk Premium (MRP): AER's RoR instrument for 2022 (6.2%)	Gearing The proportion of debt funding to capital is referred to as 'gearing'. The pipeline applies a percentage reflecting SGSPAA's actual gearing of the reporting year. Gamma (Imputation credits) 57% as determined in the AER's 2022 RoR instrument. Cost of debt Calculated as the SGSPAA actual portfolio cost of debt for the reporting year. Cost of equity $r_e = r_f + \beta_e(r_m - r_f)$ The pipeline adopts the methodology provided by the AER's 2022 RoR instrument.	Weighted Average Cost of Capital (WACC) The pipeline estimates the rate of return as the nominal vanilla WACC. This approach estimates the rate of return as the weighted average of opportunity costs assessed across two sources of capital funding: debt and equity. $WACC^{vanilla} = gearing \times r_d + (1 - gearing) \times r_e$ Where r_d is the cost of debt, and r_e is the cost of equity. Gearing The proportion of debt funding 'gearing' has been sourced based on guidance from Part 10 guidance using current financial information used in statutory, management and budgeting reporting. Cost of debt Cost of debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt at 31 December 2024. Cost of equity. The cost of equity for each year since the construction of the The pipeline is estimated using the Sharpe-Lintner capital asset pricing model (S-L CAPM). $r_e = r_f + \beta_e(r_m - r_f)$ where: r_e is the cost of equity; r_f is the risk free rate; $r_m - r_f$ is the Market Risk Premium (**MRP**); and β_e is the equity beta. **Equity beta:** Estimated from a sample of listed international comparators from OECD countries with the following criteria: be in all three of: (1) Bloomberg Industry Classification (BICs): Gas Distribution or Midstream Oil and Gas (2) MSCI and S&P Dow Jones Indices Global Industry Classification (GICs): Gas Utilities or Oil and Gas transport (3) FTSE Russell Industry Classification Benchmark (ICB): Gas distribution or Pipeline have an investment grade credit rating from S&P, Moody's or Fitch with liquidity (bid-ask-spread) of less than 0.5% has gearing greater than 0% **Risk-free rate:** Estimated shortly prior to the commencement of the year for which the rate of return is being set. This is estimated by reference to 10-year RBA Treasury Bonds for a 10-day period from 20 October 2023 to 2 November 2023.	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the Australian Energy Regulatory (AER) and therefore represents the best estimate possible for this reporting. The data inputs into the WACC have been sourced from published AER accepted sources aligning to Part 10 Pipeline information disclosure guidelines and Price reporting guidelines and therefore is a best estimate which has been arrived at on a reasonable basis.

Independent Limited Assurance Report to the Directors of the entities which comprise the Eastern Gas Pipeline Service Provider

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that management's statement that the Eastern Gas Pipeline Service Provider has prepared the financial information set out in the Part 10 Financial Reporting Templates for the year ended 31 December 2024, in accordance with the Cost Allocation principles and methods within the EGP Cost Allocation Methodology (management's statement) is not, in all material respects, fairly presented as evaluated against the EGP Cost Allocation Methodology for the year ended 31 December 2024.

The Eastern Gas Pipeline Service Provider (Service Provider) comprises the entities listed in Appendix 1

Information Subject to Assurance

The Eastern Gas Pipeline Service Provider engaged KPMG to perform a limited assurance engagement in relation to Management's Statement that the financial information set out in the Part 10 Financial Reporting Templates for the year ended 31 December 2024 is prepared in accordance with the Cost allocation principles and methods within the EGP Cost Allocation Methodology (information subject to assurance).

Criteria Used as the Basis of Reporting

We assessed the information subject to assurance against the Criteria. The information subject to assurance needs to be read and understood together with the Criteria, being the cost allocation principles and policies within the EGP Cost allocation methodology (criteria) set out in appendix 2.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3000 we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the information subject to assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Service Provider personnel to understand the internal controls, governance structure and reporting process in relation to Management's Statement;
- reviews of relevant documentation including the cost allocation methodology prepared by the Service Provider;
- walkthroughs of the cost allocation process undertaken in accordance with the cost allocation methodology;
- evaluating the appropriateness of the criteria with respect to Management's Statement; and
- Testing a sample of expenses incurred by the SGSP Assets (Australia) Pty Ltd Group to check that items have been correctly included or excluded from the Service Provider's records.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the information subject to assurance may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of the entities which comprise the Service Provider or the AER who will receive a copy of our report.

Use of this Assurance Report

This report has been prepared solely for the Directors of the entities which comprise the Service Provider and the AER who will receive a copy of our report for the purpose of assisting the Directors in meeting their reporting obligations under section 6.3.2 of the Pipeline Information Disclosure Guidelines and Price Reporting Guidelines for Part 18A Facilities and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this

report, to any person other than the Directors of the entities which comprise the Service Provider and the AER, or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs, the needs of the Directors of the entities which comprise the service provider and the needs of the AER;
- preparing and presenting the information subject to assurance in accordance with the criteria; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the information subject to assurance for the year ended 31 December 2024, and to issue an assurance report that includes our conclusion based on the procedures we have performed and evidence we have obtained.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Auditing Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG

KPMG

Glenn Austin

Partner

Melbourne

27 June 2025

Appendix 1: List of entities which comprise the Eastern Gas Pipeline Service Provider

- Jemena Eastern Gas Pipeline (1) Pty Ltd
- Jemena Eastern Gas Pipeline (2) Pty Ltd

Eastern Gas Pipeline

EGP Cost Allocation Methodology

Public

This information was last updated on 27/6/2025,is current as of that date and replaces all previous versions.

27 June 2025

Jemena

An appropriate citation for this paper is:

EGP Cost Allocation Methodology

Authorisation

Name	Job Title	Date	Signature
Approved by:			
Nurcan Hasan	General Manager, Business Performance	27 June 2025	

History

Rev No	Date	Description of changes	Author
1.0	27 June 2025	Initial version	Anthony Walker

Owning Functional Area

Business Function Owner:	Commercial Finance Energy Markets

Review Details

Review Period:	Revision Date/Last Review Date + 2 years
Next Review Due:	27 June, 2027

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ABBREVIATIONS

AER	Australian Energy Regulator
AEMO	Australian Energy Market Operator
CAM	Cost Allocation Methodology
CATS	Cross Application Timesheets
CFO	Chief Financial Officer
EGP	Eastern Gas Pipeline
ERP	Enterprise Resource Planning
NGR	National Gas Rules
NGL	National Gas Law
WBS	Work Breakdown Structure

OVERVIEW

Eastern Gas Pipeline (**EGP**) is a 797km natural gas pipeline delivering gas from Victoria's Gippsland Basin to Sydney, the Australian Capital Territory and regional New South Wales with multiple independent delivery points providing increased security of supply for customers. This gives EGP customers the flexibility to redirect gas to a number of markets across the east coast of Australia, and thus the ability to increase utilisation of their services and maximise their value.

The EGP is owned by Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd (collectively referred to as **EGP service provider**), who are subsidiaries of SGSPAA. See Appendix A for a chart of the SGSPAA group structure (**Jemena group**).

The EGP is a non-scheme pipeline.

This cost allocation methodology (**CAM**) has been prepared pursuant to the requirement of Rule 101D(1)(b) of the National Gas Rules (**NGR**) in respect of the financial year ending 31 December 2024 for the EGP.

1. NATURE, SCOPE AND PURPOSE

The purpose of this CAM is to establish a method of attributing or allocating costs to services provided by EGP. The cost allocation principles, policies and approach are to be consistent with:

- The cost allocation principles set out in Rule 103(4) of the NGR which require that costs directly attributable to a pipeline be allocated to the pipeline; and costs which are not directly attributable to the pipeline but are incurred in providing services by means of the pipeline must be allocated to the pipeline using an appropriate allocator.
- the ring-fencing provisions set out in Chapter 4 Part 2 of the NGL. In particular, Jemena maintains a number of internal controls to ensure that the costs of related businesses undertaken by associates are not allocated to service providers. Additionally, section 141 of the NGL requires a service provider to prepare and maintain separate accounts in respect of pipeline services provided by means of every pipeline owned by the service provider, as well as a consolidated set of accounts in respect of the whole of the business of the service provider.

2. PIPELINE SERVICES

EGP service provider provides pipeline services by means of the EGP, which includes haulage transportation and park and lend services as standard service offerings. These services are explained below:

1. **Firm forward haul transportation service:** transportation service where the transportation of gas is subject to the highest priority along a specified route at an agreed volume and tariff on a take-or-pay basis.

2. **Backhaul service:** the transportation of gas in the opposite direction of the primary or forward haul on a notional basis, subject to there being sufficient forward haul flows on the pipeline.

3. **Interruptible or as available transportation service:** Service where transportation capacity is provided on a non-guaranteed, flexible basis, and charged on a 'pay-as-you-go' basis. Unlike firm services, an interruptible or as-available service is subject to fluctuations in availability. If there is excess capacity in the system the service can be utilized. However, if the pipeline reaches full capacity or there is a higher priority demand, the interruptible service may be unavailable.

4. **Park service:** offering that allows shippers to temporarily park or store gas on the EGP for a defined period. This service provides flexibility in managing gas supply and demand by enabling customers to adjust for timing mismatches between gas receipts and deliveries.

5. **Other services:**

   Day Ahead Auction (DAA): provides shippers with the opportunity to acquire contracted (firm) but unnominated transportation capacity on a day-ahead basis through a competitive bidding process facilitated by AEMO.

From time-to-time, EGP service provider may also provide services that are not pipeline services.

3. COST ALLOCATION PRINCIPLES AND POLICIES

3.1 OVERVIEW OF APPROACH

EGP service provider provides various pipeline services to its customers. Pipeline services are defined in the National Gas Law to mean services which are provided by means of a pipeline. Generally, the costs of building, maintaining and operating a pipeline will enable the provision of a range of different pipeline services all of which can be provided by a single pipeline asset. For this reason, it is generally not possible to directly attribute construction, maintenance and operational activities (and therefore their costs) to each pipeline service that is provided.

EGP service provider utilises an Enterprise Resource Planning (**ERP**) corporate business system to capture, control and report its costs. Controls within the ERP system ensure that costs are reported only once.

Costs are recorded at an activity level in our ERP system and rolled up to a Work Breakdown Structure (**WBS, Project**). A WBS is a model that breaks down a project into smaller, more manageable components or tasks, organized in a hierarchical structure which tracks:

- the nature of the accounting treatment—being capital or operating expenditure
- the nature of the expenditure—e.g. maintenance, licences, shared costs etc.

EGP service provider reports its costs in a number of categories, and assigns costs using various methods. A summary of this approach is outlined in Table 3–1.

Costs are assigned to EGP consistent with the requirements set out in section 2.3 of the AER's Pipeline Information Disclosure Guidelines and the cost allocation principles set out in rule 103(4) of the NGR.

Table 3–1: Summary of cost categories and assignment methodology to pipeline

Cost category	Assignment method	
	Attribution	Allocation
Labour	✓	
Subcontractor	✓	
Materials	✓	
Fleet operating costs	✓	
Other pipeline costs	✓	
Pipeline overheads		✓
Corporate overheads		✓

3.2 ATTRIBUTABLE COSTS TO PIPELINE

Rule 103(4)(c) requires that service provider must only allocate costs to a pipeline that are directly attributable to the pipeline and if costs are not directly attributable to the pipeline, but which are incurred in providing services by means of the pipeline, such costs must be allocated to the pipeline using an appropriate allocator.

Costs that are attributed to the EGP and their basis for attribution are explained in Table 3-2.

Table 3–2: Pipeline attributable costs

Direct cost type	Basis for attribution
Labour	Labour costs are assigned using time writing (quantity) at a standard labour rate through the Cross Application Timesheets (**CATS**) module of our ERP system to a relevant WBS.
Subcontractors	External contractors may be sourced to supplement the existing workforce for specific projects, additional workloads or to cover employee absences. Subcontractor costs are receipted against a purchase order and then assigned to the relevant pipeline WBS.
Materials	Material costs include stock items distributed through EGP's warehousing and materials purchased directly from an external party via purchase order processing system. Material costs are assigned to the relevant pipeline WBS.
Fleet operating costs	Fleet operating costs are captured against cost centres and attributed to the relevant pipeline WBS.
Other pipeline costs	All other costs incurred directly as a result of operating the pipeline e.g. licence fees, lands management fees.

3.3 ALLOCATED COSTS TO PIPELINE

Allocated costs are costs that cannot be directly attributed to a pipeline, in most cases they are 'shared' in nature. The costs are captured in our ERP system and then allocated to a WBS project. Causal allocators are created consistent with well accepted causal methods to apportion the costs.

3.3.1 CORPORATE OVERHEAD COSTS

EGP service provider incurs corporate overhead costs. These shared enterprise support function costs are used to support multiple business units within the Jemena Group and cannot be directly attributed to a pipeline, but are incurred in order for EGP service provider to provide pipeline services. These costs are captured in cost collectors and then allocated on causal basis to business units including EGP service provider.

Corporate overhead costs are allocated in the following ways:

- Step 1: Corporate overhead costs are allocated to Jemena's gas transmission and processing assets based on specific causal drivers assigned to each type of overhead cost, with a range of allocation drivers used as appropriate for each type of cost including surveys of headcount effort, surveys of digital application usage, emissions volumes, revenue and EBIT.
- Step 2: Corporate overhead costs are then allocated to various service providers, including EGP service provider, based on a management survey of the support effort consumed by each service provider.

The allocators used to allocate shared enterprise support function costs are the most appropriate because they are the best estimates of the benefits consumed by the respective pipelines and other business units within the Jemena Group.

A summary of the EGP's shared corporate overhead costs is provided in Table 3-3

Table 3–3: Description of corporate overhead cost items

Description
• Office of the Managing Director • Corporate Strategy • Finance • Digital (Information and Technology Services) • People, Safety and Governance • Procurement, Property and Fleet • Regulatory

3.3.2 PIPELINE OVERHEAD COSTS

EGP service provider incurs pipeline overhead costs. These costs are used to support multiple pipelines within the Jemena Group and cannot be directly attributed to a pipeline, but are incurred in order for EGP service provider to provide pipeline services. Pipeline overhead costs are allocated on causal basis based on an annual survey of work effort by the supporting functional teams.

A summary of EGP's pipeline overhead cost types is provided in Table 3-4.

Table 3–4: Description of pipeline overhead cost items

Description
• Pipeline management activities relating to the EGP asset • Design and service engineering, technical asset management, compliance and risk activities relating to the asset • Pipeline marketing and other commercial activities

4. COST ALLOCATION TO SERVICES

Although some costs of the EGP can be identified and directly attributed to the pipeline via a WBS within the ERP system, these costs cannot be further broken down and attributed to individual pipeline services provided by the EGP. Costs are not incurred specifically at a service level and therefore are not directly attributable to services. As such, the costs attributed to the EGP pipeline are allocated to the individual pipeline services provided by the EGP.

Expenses are allocated to the 'Description' categories based on the Direct Revenue allocator. The allocator is the most appropriate because there is a relationship between the economic benefits realised (direct revenue) and the economic benefits consumed (Direct expenses & Shared Expenses) as a result of operating the pipeline. EGP service provider is not aware of a more appropriate allocation approach.

Table 4–1: Summary of cost categories and assignment methodology to pipeline services

Cost category	Assignment method	
	Attribution	Allocation
Labour		✓
Subcontractor		✓
Materials		✓
Fleet operating costs		✓
Other pipeline costs		✓
Pipeline overheads		✓
Corporate overheads		✓

5. ACCOUNTABILITIES AND RESPONSIBILITIES

The CAM will be used for all regulatory reporting purposes.

EGP service provider is committed to the ongoing application of the CAM and will be the primary responsibility of Jemena's General Manager, Business Performance who will:

- conduct periodic reviews of the CAM;
- liaise with the Chief Financial Officer (**CFO**), Regulation team, Business Unit Managers, Other Finance General Managers and their staff where relevant CAM issues are raised; and
- act as the reference point for all queries regarding the CAM in relation to Regulatory matters.

6. RECORD MAINTENANCE

All relevant documentation supporting the allocation of costs (direct or shared) are maintained within Jemena's accounting and information system databases.

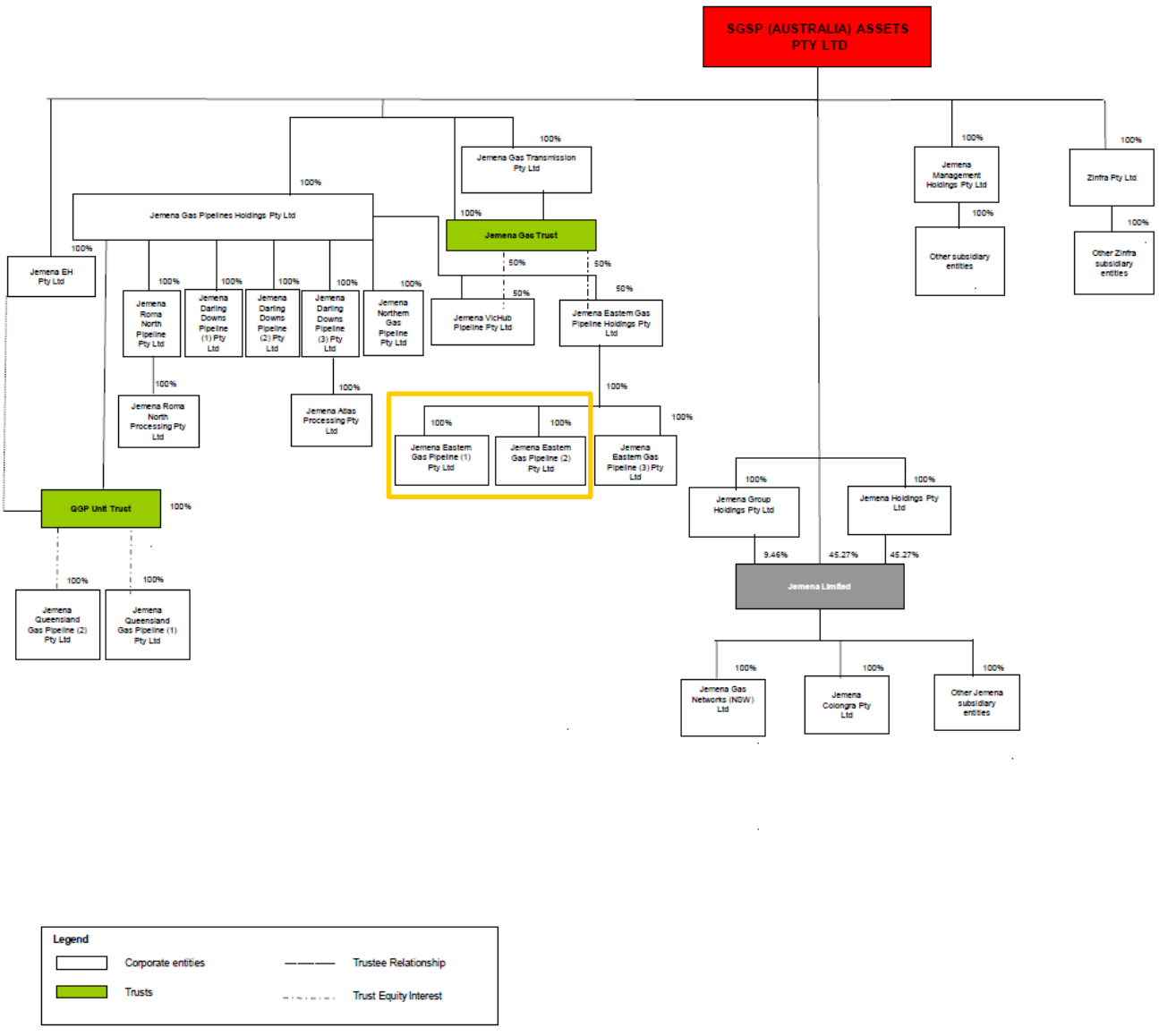
These records are supported by the company's comprehensive record protection and retention procedures and practices, as well as the relevant data recovery and back up processes.

Appendix A
SGSPAA Group Structure

A1. SGSPAA GROUP STRUCTURE

EGP service provider's position within the SGSPAA group structure is highlight in orange.

Figure A1–1: SGSPAA group structure



Jemena Eastern Gas Pipeline (1) Pty Ltd
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Glenn Austin
Partner
KPMG
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27 June 2025

Dear Glenn

Management Statement

Management of the EGP Service Provider comprising:

- Jemena Eastern Gas Pipeline (1) Pty Ltd
- Jemena Eastern Gas Pipeline (2) Pty Ltd

(collectively the Service Provider) has prepared the financial information set out in the Part 10 Financial Reporting Templates for the year ended 31 December 2024 in accordance with the cost allocation principles and methods within the EGP Cost Allocation Methodology attached as Appendix 1.

Yours sincerely

Kate Webster

Kate Webster
Chief Financial Officer

Eastern Gas Pipeline

EGP Cost Allocation Methodology

Public

This information was last updated on 27/6/2025,is current as of that date and replaces all previous versions.

27 June 2025

Jemena

An appropriate citation for this paper is:

EGP Cost Allocation Methodology

Authorisation

Name	Job Title	Date	Signature
Approved by:			
Nurcan Hasan	General Manager, Business Performance	27 June 2025	

History

Rev No	Date	Description of changes	Author
1.0	27 June 2025	Initial version	Anthony Walker

Owning Functional Area

Business Function Owner:	Commercial Finance Energy Markets

Review Details

Review Period:	Revision Date/Last Review Date + 2 years
Next Review Due:	27 June, 2027

TABLE OF CONTENTS

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ABBREVIATIONS

AER	Australian Energy Regulator
AEMO	Australian Energy Market Operator
CAM	Cost Allocation Methodology
CATS	Cross Application Timesheets
CFO	Chief Financial Officer
EGP	Eastern Gas Pipeline
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Appendix A
SGSPAA Group Structure

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Figure A1–1: SGSPAA group structure