

Assurance Reports 2025

This information was last updated on 29 May 2026, is current as of that date and replaces all previous versions

29 May 2026





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Independent Auditor's Report to the Directors of Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd

Opinion

We have audited the [historical financial information contained within the following Part 10 Financial Reporting Templates (the "Actual Historical Financial Information") of Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd (the Companies) for the regulatory year ended 31 December 2025:

Template	Table
2.0 Revenue and expense	2.1 Statement of pipeline revenue and expenses by service
2.1 Profit & Loss by component	2.1.1 Statement of pipeline revenue and expenses by component
2.2 Allocation to services	2.2.1 Revenue by service 2.2.2 Expenses by service
2.3 Revenue contribution	2.3.1 Customer contributions received 2.3.2 Government contributions received
2.4 Indirect revenue	2.4.1 Indirect revenue allocation
2.5 Shared expenses	2.5.1 Shared expense allocation
3.1 Depreciated Book Value	3.1.1 Pipeline assets (DBVM) 3.1.2 Initial costs of pipeline assets (DBVM)
3.3 Asset useful life	3.3.1 Asset useful life
3.4 Asset impairment	3.4.1 Assets impaired 3.4.2 Asset impairment reversals
3.5 Depreciation amortisation	3.5.1 Pipeline assets at cost 3.5.2 Shared assets at cost
3.6 Shared supporting assets	3.6.1: Shared supporting asset allocation

In our opinion, the Actual Historical Financial Information of the Companies for the regulatory year ended 31 December 2025 are prepared, in all material respects, in accordance with the Gas Pipeline Information Disclosure requirements issued by Australian Energy Regulator (the AER) on 27 October 2023 pursuant to Part 10 of the National Gas Rules (the "Guideline") and the Basis of Preparation as prescribed by the Guideline (the "Criteria").

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Actual Historical Financial Information* section of our report. We are independent of the Companies 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)* that are relevant to our audit of the Actual Historical Financial Information in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of matter – Basis of accounting and restriction on distribution

We draw attention to the Basis of Preparation of the Actual Historical Financial Information which describes the basis of accounting. The Actual Historical Financial Information is prepared to assist the Companies to meet the requirements of the Guideline. As a result, the Actual Historical Financial Information may not be suitable for another purpose. Our report is intended solely for the Companies and the AER (collectively the “Recipients”) and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.

Information other than the Actual Historical Financial Information and Auditor’s Report thereon

The Companies’ management are responsible for the other information. The other information comprises the estimated historical financial and non-financial information included in the above Part 10 Financial Reporting Templates but does not include the Actual Historical Financial Information and our auditor’s report thereon.

Our opinion on the Actual Historical Financial Information does not cover the other information and accordingly we do not express any form of assurance conclusion thereon within this auditor’s report.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Actual Historical Financial Information

The Companies’ management is responsible for the preparation of the Actual Historical Financial Information in accordance with the Guideline and the Basis of Preparation as prescribed by the Guideline and for such internal control as management determines is necessary to enable the preparation of the Actual Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Actual Historical Financial Information, management is responsible for assessing the Companies’ ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Companies or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the Actual Historical Financial Information

Our objectives are to obtain reasonable assurance about whether the Actual Historical Financial Information 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 and 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 Actual Historical Financial Information .



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As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Actual Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Companies' internal control.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Companies' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Actual Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Companies to cease to continue as a going concern.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with the directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'Brett Croft'.

Brett Croft
Partner
Melbourne
29 May 2026



Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2025
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	87,027,676	Firm forward haul transportation service	(44,406,236)	42,621,440
	Backhaul service	4,173,853	Backhaul service	(2,129,726)	2,044,127
	Interruptible or as available transportation service	11,941,735	Interruptible or as available transportation service	(6,093,320)	5,848,415
	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	11,017,983	Park service	(5,621,972)	5,396,011
	Park and loan services		Park and loan services		
	Capacity trading service		Capacity trading service		
	In pipe trading service		In pipe trading service		
	Other	18,548,919	Other	(9,464,663)	9,084,255
	Total net revenue	132,710,166	Total Expenses	(67,715,917)	64,994,249



Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2025
Profit & Loss statement by component

Table 2.1.1: Statement of pipeline revenue and expenses by component

Basis of Preparation ID	Description	Current reporting period			Previous reporting period		
		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	132,710,166	-	132,710,166	148,143,763	-	148,143,763
2.1.1SOPRAEBC_D13:I22	Customer contribution revenue	-	-	-	117,333	-	117,333
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	132,710,166	-	132,710,166	148,270,459	-	148,270,459
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	132,710,166	-	132,710,166	148,270,459	-	148,270,459
	Direct expenses by pipeline						
2.1.1SOPRAEBC_D24:I45	Repairs and maintenance	-	(8,308,026)	(8,308,026)	-	(5,920,812)	(5,920,812)
2.1.1SOPRAEBC_D24:I45	Wages	-	(9,478,542)	(9,478,542)	-	(10,572,985)	(10,572,985)
2.1.1SOPRAEBC_D24:I45	Depreciation	(34,247,425)	-	(34,247,425)	(35,087,940)	-	(35,087,940)
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	-	(803,038)	(803,038)	-	(650,888)	(650,888)
2.1.1SOPRAEBC_D24:I45	Other direct expenses	-	(4,737,319)	(4,737,319)	-	(4,333,368)	(4,333,368)
	Total direct expenses by pipeline	(34,247,425)	(23,326,925)	(57,574,350)	(35,087,940)	(21,478,053)	(56,565,992)
2.1.1SOPRAEBC_D24:I45	Shared expenses by pipeline						
2.1.1SOPRAEBC_D24:I45	Employee expenses	-	(3,619,673)	(3,619,673)	-	(2,589,527)	(2,589,527)
2.1.1SOPRAEBC_D24:I45	Information technology and communication costs	-	(1,887,595)	(1,887,595)	-	(1,129,505)	(1,129,505)
2.1.1SOPRAEBC_D24:I45	Indirect operating expenses	-	(2,073,943)	(2,073,943)	-	(1,028,660)	(1,028,660)
2.1.1SOPRAEBC_D24:I45	Shared asset depreciation	(1,886,364)	-	(1,886,364)	(1,715,744)	-	(1,715,744)
2.1.1SOPRAEBC_D24:I45	Rental and leasing costs	-	(673,993)	(673,993)	-	(273,121)	(273,121)
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	(1,886,364)	(8,255,204)	(10,141,567)	(1,715,744)	(5,020,812)	(6,736,556)
	Total expenses by pipeline	(36,133,789)	(31,582,128)	(67,715,917)	(36,803,683)	(26,498,865)	(63,302,548)
	Earnings before interest and tax (EBIT)	96,576,377	(31,582,128)	64,994,249	111,466,776	(26,498,865)	84,967,911



Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2025
Allocation to pipeline services

Table 2.2.1: Revenue by service

Basis of Preparation ID	Description	Reporting period				Previous reporting period			
		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	65.58%	87,027,676	-	87,027,676	75.52%	111,885,906	-	111,885,906
2.2.1RBS D13:K23	Backhaul service	3.15%	4,173,853	-	4,173,853	1.55%	2,300,256	-	2,300,256
2.2.1RBS D13:K23	Interruptible or as available transportation service	9.00%	11,941,735	-	11,941,735	7.24%	10,731,351	-	10,731,351
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	8.30%	11,017,983	-	11,017,983	7.87%	11,666,134	-	11,666,134
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	13.98%	18,548,919	-	18,548,919	7.81%	11,569,480	-	11,569,480
	Total direct revenue (excl. capital contributions)	100.00%	132,710,166	-	132,710,166	100.00%	148,153,127	-	148,153,127
Capital contributions									
2.2.1RBS D25:K35	Firm forward haul transportation service	0.00%	-	-	-	72.94%	85,583	-	85,583
2.2.1RBS D25:K35	Backhaul service	0.00%	-	-	-	27.06%	31,749	-	31,749
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	0.00%	-	-	-	100.00%	117,333	-	117,333
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		132,710,166	-	132,710,166		148,270,459	-	148,270,459

Table 2.2.2: Expenses by service

Basis of Preparation ID	Description	Reporting period				Previous reporting period			
		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	65.58%	-	(15,297,156)	(15,297,156)	75.52%	-	(16,220,322)	(16,220,322)
2.2.2EBS D56:K66	Backhaul service	3.15%	-	(733,653)	(733,653)	1.55%	-	(333,473)	(333,473)
2.2.2EBS D56:K66	Interruptible or as available transportation service	9.00%	-	(2,099,040)	(2,099,040)	7.24%	-	(1,555,745)	(1,555,745)
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	8.30%	-	(1,936,669)	(1,936,669)	7.87%	-	(1,691,263)	(1,691,263)
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	13.98%	-	(3,260,408)	(3,260,408)	7.81%	-	(1,677,251)	(1,677,251)
	Total direct expenses (excl. depreciation)	100.00%	-	(23,326,925)	(23,326,925)	100.00%	-	(21,478,053)	(21,478,053)
	Depreciation								
2.2.2EBS D68:K78	Firm forward haul transportation service	65.58%	(23,695,545)	-	(23,695,545)	75.52%	(27,794,307)	-	(27,794,307)
2.2.2EBS D68:K78	Backhaul service	3.15%	(1,136,440)	-	(1,136,440)	1.55%	(571,421)	-	(571,421)
2.2.2EBS D68:K78	Interruptible or as available transportation service	9.00%	(3,251,447)	-	(3,251,447)	7.24%	(2,665,845)	-	(2,665,845)
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	8.30%	(2,999,932)	-	(2,999,932)	7.87%	(2,898,060)	-	(2,898,060)
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	13.98%	(5,050,425)	-	(5,050,425)	7.81%	(2,874,050)	-	(2,874,050)
	Total depreciation	100.00%	(36,133,789)	-	(36,133,789)	100.00%	(36,803,683)	-	(36,803,683)
	Shared expenses allocated (excl. depreciation)								
2.2.2EBS D80:K91	Firm forward haul transportation service	65.58%	-	(5,413,535)	(5,413,535)	75.52%	-	(3,791,740)	(3,791,740)
2.2.2EBS D80:K91	Backhaul service	3.15%	-	(259,634)	(259,634)	1.55%	-	(77,954)	(77,954)
2.2.2EBS D80:K91	Interruptible or as available transportation service	9.00%	-	(742,833)	(742,833)	7.24%	-	(363,678)	(363,678)
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	8.30%	-	(685,371)	(685,371)	7.87%	-	(395,358)	(395,358)
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	13.98%	-	(1,153,831)	(1,153,831)	7.81%	-	(392,082)	(392,082)
	Total shared expenses (excl. depreciation)	100.00%	-	(8,255,204)	(8,255,204)	100.00%	-	(5,020,812)	(5,020,812)
	Total expenses		(36,133,789)	(31,582,128)	(67,715,917)		(36,803,683)	(26,498,865)	(63,302,548)



Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2025
Revenue contributions

Table 2.3.1: Customer contributions received

Description	Amounts excluding related party transactions \$ nominal	Related party transactions \$ nominal	Total \$ nominal
			-
			-
			-
			-
			-
Total	-	-	-

Table 2.3.2: Government contributions received

Source	Description	Total \$ nominal
Total		-



Contents

Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd

Year ending

31/12/2025

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:E96	Opening Cost Base	627,804,132	626,650,425
3.1.1PADBVM_D18:E96	Additions	32,548,689	1,153,707
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
	Total capitalised pipeline construction costs	660,352,822	627,804,132
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	(313,517,475)	(298,026,755)
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing pipelines carrying value	346,835,347	329,777,378
	Compressors		
3.1.1PADBVM_D18:E96	Opening Cost Base	252,248,531	252,248,531
3.1.1PADBVM_D18:E96	Additions	2,610,171	-
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	(172,312,897)	(155,818,814)
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing compressors carrying value	82,545,804	96,429,717
	City Gates, supply regulators and valve stations		
3.1.1PADBVM_D18:E96	Opening Cost Base	14,480,298	14,359,946
3.1.1PADBVM_D18:E96	Additions	5,753,338	120,352
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	(8,116,652)	(7,578,693)
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing city gates, supply regulators and valve stations carrying value	12,116,984	6,901,605
	Metering		
3.1.1PADBVM_D18:E96	Opening Cost Base	18,462,119	18,462,119

3.1.1PADBVM_D18:E96	Additions	-	-
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	(15,118,529)	(14,454,638)
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing metering carrying value	3,343,591	4,007,481
	Odorant plants		
3.1.1PADBVM_D18:E96	Opening Cost Base	-	-
3.1.1PADBVM_D18:E96	Additions	-	-
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	-	-
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing odorant plants carrying value	-	-
	SCADA (Communications)		
3.1.1PADBVM_D18:E96	Opening Cost Base	6,888,333	6,762,215
3.1.1PADBVM_D18:E96	Additions	-	126,118
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	(6,011,806)	(5,759,248)
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing SCADA carrying value	876,527	1,129,085
	Buildings		
3.1.1PADBVM_D18:E96	Opening Cost Base	2,257,946	2,257,946
3.1.1PADBVM_D18:E96	Additions	-	-
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	(1,180,723)	(1,109,719)
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing buildings carrying value	1,077,222	1,148,226
	Land and easements		
3.1.1PADBVM_D18:E96	Opening Cost Base	7,380,269	7,687,315
3.1.1PADBVM_D18:E96	Additions	(307,046)	(307,046)
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	-
	Closing land and easements carrying value	7,073,222	7,380,269
	Other depreciable pipeline assets		
3.1.1PADBVM_D18:E96	Opening Cost Base	113,721,806	113,612,614
3.1.1PADBVM_D18:E96	Additions	4,542,552	109,192
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (excl. impairment)	(104,718,195)	(104,277,204)
3.1.1PADBVM_D18:E96	Impairment losses	-	-
3.1.1PADBVM_D18:E96	Disposals or early termination (at cost)	-	(0)
	Closing other depreciable pipeline assets carrying value	13,546,162	9,444,602
	Leased assets		
3.1.1PADBVM_D18:E96	Opening Cost Base	-	-
3.1.1PADBVM_D18:E96	Additions	-	-
3.1.1PADBVM_D18:E96	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D18:E96	Depreciation (Amortisation) (excl. impairment)	-	-
3.1.1PADBVM_D18:E96	Impairment losses	-	-

3.1.1PADBVM_D18:E96	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	1,676,614,456	1,510,102,512
3.1.1PADBVM_D97:E102	Additions	148,861,153	166,511,944
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	1,825,475,610	1,676,614,456
	Total pipeline assets	2,292,890,470	2,132,832,819
	Shared supporting assets allocated		
	Shared property, plant and equipment		
3.1.1PADBVM_D106:E119	Opening Cost Base	20,844,905	19,809,496
3.1.1PADBVM_D106:E119	Additions	2,894,421	1,627,052
3.1.1PADBVM_D106:E119	Capitalised maintenance or improvements	-	-
3.1.1PADBVM_D106:E119	Depreciation (excl. impairment)	(16,512,894)	(14,901,693)
3.1.1PADBVM_D106:E119	Impairment losses	-	-
3.1.1PADBVM_D106:E119	Disposals or early termination (at cost)	(289,889)	(591,643)
	Closing shared property, plant and equipment carrying value	6,936,542	5,943,212
	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	6,936,542	5,943,212
	TOTAL ASSETS	2,299,827,012	2,138,776,031

Table 3.1.2: Initial costs of pipeline assets (DBVM)

Basis of Preparation ID	Description	
	TOTAL ASSETS	
3.1.2ICOPADBVM_D132		1,334,427,192



Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
 Year ending **31/12/2025**
 Date RAB established **0/01/1900**
Asset value - Regulatory Asset Base (RAB) (For Scheme pipeline only)

This template is for a non-indexed asset value derived from a regulator-determined initial regulatory asset base and capital expenditure with straight-line depreciation, for scheme pipelines.

Table 3.2.1: Pipeline assets (RAB)

Basis of Preparation ID	Description	Year				
		2021-22	2022-23	2023-24	2024-25	2025-26
	Pipelines	\$	\$	\$	\$	\$
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Nominal Capex					
	Total capitalised pipeline construction costs	-	-	-	-	-
	Less Asset disposal (at cost)					
	Less Nominal Actual Regulatory Depreciation					
	Closing pipeline carrying value	-	-	-	-	-
	Compressors					
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation of compressors					
	Less Disposal (at cost)					
	Closing compressors carrying value	-	-	-	-	-
	City Gates, supply regulators and valve stations					
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Improvements capitalised					
	Less Depreciation of city gates, supply regulators and valve stations					
	Less Disposal (at cost)					
	Closing city gates, supply regulators and valve stations carrying value	-	-	-	-	-
	Metering					
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation of metering					
	Less Disposal (at cost)					
	Closing Metering	-	-	-	-	-
	Odourant plants					
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation of odourant plants					
	Less Disposal (at cost)					
	Closing odourant plants carrying value	-	-	-	-	-
	SCADA (Communications)					
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation of SCADA					
	Less Disposal (at cost)					
	Closing SCADA carrying value	-	-	-	-	-
	Buildings					
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation of buildings					
	Less Disposal (at cost)					
	Closing buildings carrying value	-	-	-	-	-
	Land and easements					
	Nominal Opening Regulatory Asset Base		-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation of land and easement					
	Less Disposal (at cost)					
	Closing land and easements carrying value	-	-	-	-	-
	Other depreciable pipeline assets					
	Nominal Opening Regulatory Asset Base		-	-	-	-

	Additions and improvements capitalised					
	Less Depreciation/amortisation					
	Less Disposal (at cost)					
	Closing other depreciable pipeline assets carrying value	-	-	-	-	-
	Leased pipeline assets					
	Nominal Opening Regulatory Asset Base	-	-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation/amortisation					
	Less Disposal (at cost)					
	Closing leased pipeline assets carrying value	-	-	-	-	-
	Total pipeline assets	-	-	-	-	-
	Shared supporting assets (RAB)					
	Nominal Opening Regulatory Asset Base	-	-	-	-	-
	Additions and improvements capitalised					
	Less Shared property, plant and equipment depreciation					
	Less disposals of shared supporting assets					
	Closing shared property, plant and equipment	-	-	-	-	-
	Shared leased assets					
	Nominal Opening Regulatory Asset Base	-	-	-	-	-
	Additions and improvements capitalised					
	Less Depreciation/amortisation					
	Less Disposal (at cost)					
	Closing shared leased assets carrying value	-	-	-	-	-
	Opening other assets	-	-	-	-	-
	Change in other assets					
	Closing other assets	-	-	-	-	-
	Total shared supporting assets allocated	-	-	-	-	-
	TOTAL ASSETS	-	-	-	-	-



Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2025
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 years	Reason for choosing this useful life
3.3.1AUL_D11:F39	Pipelines	August 2000 to June 2025	40.4	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 May 2024	25.9	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	33.6	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	21.2	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	N/A	N/A	N/A - No assets classified in this category
3.3.1AUL_D11:F39	SCADA (Communications)	August 2000 to August 2023	7.8	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	30.3	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 August 2025	34.1	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.

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 2025 (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 Group¹. 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.

¹Jemena is the branded name of a group of businesses owned and operated by SGSP (Australia) Assets Pty Ltd (SGSPAA).

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	Rep 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_D13.122	Description: Direct revenue by pipeline	Actual	N/A	Profit and SAP	None noted	<p><u>Amount excluding related party transactions:</u> 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 (Other direct revenue refer to 2.2.1) 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.</p>	None noted
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24.145	Description: Direct expenses by pipeline Shared expenses by pipeline	Actual	N/A	SAP	None noted	<p>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. Non-pipeline services revenue and related costs, that are recorded by WBS, are excluded.</p> <p><u>Related party and non-related party</u> 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.</p> <p><u>Direct costs and Shared costs</u> 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, monitoring, 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.</p>	None noted
								<p><u>Mapping Opex into the template 'Description' categories</u> 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. Similarly, the pipeline has interpreted direct leasing and rental costs, and other direct expenses as costs that are not related to enterprise support functions. Where project descriptions and activity/service category codes support classification within a more specific category than 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</p> <p>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.</p> <p><u>Earnings before Interest and tax (EBIT)</u> Non-input cell.</p>	
2.1.1	Statement of pipeline revenues and expenses by component	2.1.1SOPRAEBC_D24.145	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 SCSPPA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	None noted	<p><u>SAP FAMR</u> Depreciation expense was extracted from the annual SAP FAMR.</p> <p><u>SCSPPA Group Consolidation supporting schedule</u> Depreciation expense was extracted from the SCSPPA Group Consolidation supporting schedule for pipeline assets not included in the SAP FAMR.</p> <p>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.</p> <p><u>Reporting period – Amounts excluding related party transactions</u> 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.</p>	None noted

2.2 Allocation to pipeline services

A breakdown of revenue and expenses 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	<p><u>Allocation to pipeline service & Amount excluding related party transactions</u></p> <p>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 (\$).</p> <p>Allocator justification: Numeric quantities of allocators are displayed in the reporting template.</p> <p><u>Non-PypIT Revenue (SAP)</u></p> <p>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, Third party works safety supervision and maintenance service contracts.</p> <p>Non-pipeline services revenue and related costs, that are recorded by WBS and identified by a SME, are excluded.</p> <p><u>Reporting period – Amounts excluding related party transactions</u></p> <p>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.</p>	None noted
2.2.1	Revenue by service	2.2.1RBS_D25:K35	Capital Contributions	Actual		SAP		<p><u>Allocation to pipeline service & Amount excluding related party transactions</u></p> <p>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.</p> <p>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.</p> <p>Numeric quantities of allocators are displayed in the reporting template.</p> <p><u>Reporting period - Related party transactions</u></p> <p>Based on a review of SAP supporting records, the pipeline did not have any Capital Contributions sourced from related parties.</p>	
2.2.1	Revenue by service	2.2.1RBS_D37:K49	Indirect revenue allocated	Actual	N/A	SAP	N/A	<p>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.</p>	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		<p><u>Allocation to pipeline service & Amount excluding related party transactions</u></p> <p>Allocator: Expenses were allocated to the 'Description' categories based on the Direct Revenue allocator.</p> <p>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.</p> <p>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.</p> <p>Numeric quantities of allocators are displayed in the reporting template.</p>	
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		<p><u>Allocation to pipeline service & Amount excluding related party transactions</u></p> <p>Allocator: Depreciation was allocated to the 'Description' categories based on the Direct Revenue allocator.</p> <p>Allocation of Pipeline Service (%) calculated as Total depreciation (\$) multiplied by Direct revenue line item amount (\$) divided by the Total direct revenue amount (\$) ratio.</p> <p>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.</p> <p>Numeric quantities of allocators are displayed in the reporting template.</p>	

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 cell noted in table	Description	Actual	N/A	SAP	N/A	The SAP general ledger was reviewed to assess whether any Customer contributions were recognised as revenue.	None noted
2.3.2	Government contributions received	N/A – No Basis of Preparation ID cell noted in table	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_D15J36	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	<p>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.</p> <p><u>Description categories</u> The cost element description field was used to map costs into the template's 'Description' categories (e.g. 'Employee costs', 'Indirect operating expenses', etc.).</p> <p>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.</p> <p><u>Income statement account applied to</u> 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'.</p> <p><u>Related party and non-related party:</u></p> <p><u>Shared costs excluding related parties</u> 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.</p> <p><u>Shared costs paid to related parties</u> 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</p> <p><u>Percent (%) allocated to pipeline and total allocated to pipeline excluding related parties</u> 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.</p> <p>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 the direct spend profile of each pipeline.</p> <p>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.</p> <p>The costs allocated to each shared expense 'Description' category 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.</p> <p>Numeric quantities of allocators are displayed in the reporting template.</p>	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: E96 3.1.1PADBVM_D10 6: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. <u>For shared assets</u> 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 SPSAA 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	<u>Other non-depreciable pipeline assets - SGSPAA Group Consolidation support schedule</u> The amounts reported include goodwill which arose from the acquisition of the pipeline. As there is no specific Goodwill category, the pipeline has included \$740,983,093 of goodwill in the 'Other non-depreciable pipeline assets' in the template. This category also includes other non-depreciable pipeline assets including of receivables of \$1,060,376,147, of which the intercompany receivables amount to \$1,049,446,884 <u>Other non-depreciable pipeline assets - SAP TB</u> 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_D12 1: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 the 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	N/A	SAP	N/A	<p>Description (list each individual balance sheet item)</p> <p>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</p> <p>The pipeline does not depreciate land but does depreciate easements that have a fixed term life.</p> <p>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.</p> <p>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: $\frac{\sum((\text{Opening Cost} + \text{Acquisitions} - \text{Retirements}))}{(\text{Total 'Description' Cost})}$</p> <p>Note that the Total Description Costs is the sum of Opening cost + Additions - Retirements. <i>*Asset useful life</i></p> <p>Asset class with an indefinite useful life has been excluded from the above calculation.</p> <hr/> <p>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.</p>	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	N/A	SAP	N/A	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	N/A	SAP	N/A	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	Pipeline assets at cost - pipeline assets &	3.5.1PAAC_C15:Q59	Description, Category, Acquisition date (provide a range), Useful life, Estimated residual value, Opening Cost Base	Actual	N/A	SAP FAMR and equipment listing report	N/A	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.	None noted
3.5.2	Shared assets at cost (less straight-line depreciation)	3.5.2SAAC_D66:P84	Estimated residual value, 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			The SGSPAA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)		<p><u>Category</u> 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.</p> <p><u>Description</u> 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.</p> <p><u>Acquisition date (provide a range)</u> Refer to 'Commission date' explanation for Table 3.3.1 Asset useful life.</p> <p><u>Useful life</u> Refer to 'Useful life' explanation for Table 3.3.1 Asset useful life.</p> <p><u>Estimated residual value</u> 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)).</p> <p><u>Opening Cost Base, Current Year Additions and Current Years Disposals or Early Terminations, Prior years' accumulated depreciation, Current year depreciation, Written Down Value</u></p> <p>The annual SAP FAMR report was generated with asset 'Category' detail overlaid (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 Property, Plant and Equipment step ups, Fair Value adjustments and related depreciation expense were extracted from the SGSPAA Group Consolidation supporting schedule for pipeline assets and are not included in the SAP FAMR. 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.</p> <p><u>Capitalised Maintenance</u> 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).</p> <p><u>Other depreciable pipeline assets - SGSPAA Group Consolidation support schedule</u> 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.</p>	

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	N/A	SAP – FAMR & project cost download for Shared Assets Capex at the pipeline's level.	None noted	<p>Description (list each individual shared asset category greater than 5%) 'Shared asset' category description' in the FAMR were reported in Table 3. 5.2.</p> <p>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.</p> <p>Shared property, plant and equipment – Additions in Table 3.1.1 align to Table 3.6.1 additions.</p> <p><u>Category of shared assets</u> 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.</p> <p><u>Total amount</u> 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.</p> <p><u>% allocated to pipeline</u> 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.</p> <p><u>Total allocated to pipeline</u> 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.</p>	None noted



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Independent Auditor's Review Report to the Directors of Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd

We have reviewed the actual historical financial information contained within the following Part 10 Financial Reporting Templates (the "Historical Financial Information") of Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd (the Companies) in the Companies' Part 10 Reporting Templates listed below for the regulatory year ended 31 December 2025:

Template	Table
4. Recovered Capital	4.1 Pipeline assets (RCM) 4.2 Pipeline details
4.1 Pipeline Capex	4.1.1 Capital expenditure greater than 5% of construction cost 4.1.2 Historical expansions and extensions 4.1.3 Planned expansions and extensions of capacity

The Historical Financial Information of the Companies for the regulatory year ended 31 December 2025 has been prepared in response to the Gas Pipeline Information Disclosure requirements issued by Australian Energy Regulator (the AER) on 27 October 2023 pursuant to Part 10 of the National Gas Rules (the "Guideline") and the Basis of Preparation as prescribed by the Guideline (the "Criteria").

Management's responsibility for the Historical Financial Information

Management is responsible for the preparation of the Historical Financial Information and has determined that the Guideline and the Basis of Preparation as prescribed by the Guideline used are appropriate to the needs of the AER. Management is also responsible for such internal control as Management determines is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Historical Financial Information based on our review. We have 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 state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Historical Financial Information is not prepared, in all material respects, in accordance with the Guideline and the Basis of Preparation as prescribed by the Guideline. ASRE 2405 requires us to comply with relevant ethical requirements, including those pertaining to independence.

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.



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Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Companies for the regulatory year ended 31 December 2025 are not prepared, in all material respects, in accordance with the Guideline and the Basis of Preparation as prescribed by the Guideline.

Basis of Preparation and Restriction on Distribution

The Historical Financial Information is prepared to assist the Companies to meet the requirements of the Guideline. As a result the Historical Financial Information may not be suitable for another purpose. Our report is intended solely for the Companies and the AER and should not be distributed to parties other than the Companies or the AER.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'Brett Croft'.

Brett Croft
Partner
Melbourne
29 May 2026



Part 10 Financial Reporting

Jemena Eastern Gas Pipeline (1) Pty Ltd

Jemena Eastern Gas Pipeline (2) Pty Ltd

Year ending 31/12/2025

Asset value - Recovered Capital Method (RCM)

Contents

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
	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	36,164,617	18,641,986	415,437	424,695	434,159
4.1PARCM_F16:BH16	Additions	391,255,404	-	-	-	-
4.1PARCM_F17:BH17	Maintenance capitalised	-	-	-	-	-
4.1PARCM_F18:BH18	Disposal (at cost)	(1,920,754)	-	-	-	(39,899)
	Leased Asset	-	-	-	-	-
	Pipeline assets cost base	912,903,333	60,900,089	151,773,902	246,164,009	48,442,443
	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	23,686,475	-	32,777	61,486	-
4.1PARCM_F25:BH25	Maintenance capitalised	-	-	-	-	-
4.1PARCM_F26:BH26	Disposal (at cost)	-	-	-	-	-
	Leased Asset	-	-	-	-	-
	Shared assets cost base	23,686,475	-	32,777	61,486	-
	Total assets	936,589,807	60,900,089	151,806,679	246,225,494	48,442,443
	Return of capital					
4.1PARCM_F31:BH31	Revenue	2,764,865,882	-	-	7,781,205	34,510,000
4.1PARCM_F32:BH32	Operating expenses	(596,370,120)	-	(5,017)	(4,490,476)	(18,640,133)
4.1PARCM_F33:BH33	Net tax liabilities	(250,099,374)	-	-	-	-
	Leased Asset Interest/Financing Charge	-	-	-	-	-
4.1PARCM_F35:BH35	Return on capital	(1,603,919,179)	-	(4,369,200)	(20,430,234)	(47,225,547)
	Total Return of Capital	314,477,210	-	(4,374,217)	(17,139,506)	(31,355,680)
	Recovered capital method total asset value	622,112,598	60,900,089	156,180,896	263,365,000	79,798,123
	For information	Opening asset value		60,900,089	217,080,986	480,445,986
4.1PARCM_F39:BH39	For information	Rate of return (WACC)	N/A	7.17%	9.41%	9.83%

Table 4.2: Pipeline details

Construction date	30/06/1998
-------------------	------------

Year																
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
443,834	453,725	463,836	474,173	484,740	495,542	506,585	517,875	529,416	541,214	553,275	565,604	578,209	591,094	604,267	617,733	631,499
3,630,506	1,680,182	563,244	2,692,612	532,346	17,086,560	30,938,830	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
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	(10,496)	-	-	-	(1,816,160)	-	-	-	-	-	-	-	-	-	-	(17,731)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,074,340	2,123,411	1,027,081	3,166,785	1,017,086	15,765,943	31,445,416	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
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,049	354,000	1,021,105	2,825	1,530,279	2,855,469	229,471	597,655	828,826	3,588,350	739,306	882,175
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,049	354,000	1,021,105	2,825	1,530,279	2,855,469	229,471	597,655	828,826	3,588,350	739,306	882,175
4,074,340	2,123,411	1,027,081	3,166,785	1,017,086	15,766,992	31,799,416	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
37,094,545	45,249,091	55,417,273	62,939,091	60,193,636	77,845,941	106,500,516	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
(25,019,646)	(30,626,753)	(26,347,020)	(13,459,330)	(23,007,121)	(15,700,840)	(19,319,852)	(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)
-	-	-	-	-	-	-	(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)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(55,557,280)	(59,714,146)	(64,444,550)	(67,548,846)	(69,504,581)	(73,048,193)	(76,879,310)	(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)
(43,482,381)	(45,091,808)	(35,374,298)	(18,069,086)	(32,318,066)	(10,903,092)	10,301,354	(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
47,556,721	47,215,219	36,401,378	21,235,871	33,335,152	26,670,084	21,498,062	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)
560,244,109	607,800,830	655,016,049	691,417,427	712,653,298	745,988,450	772,658,534	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
9.92%	9.82%	9.84%	9.77%	9.75%	9.79%	9.95%	9.96%	9.97%	9.95%	9.78%	9.76%	9.50%	7.33%	7.19%	7.14%	6.75%

2019	2020	2021	2022	2023	2024	2025
-	-	-	-	-	-	-
645,572	659,958	4,811,425	5,611,642	(6,047,745)	(7,944,719)	9,459,588
2,114,425	4,625,049	12,273,499	27,287,573	53,953,673	10,834,811	36,361,699
-	-	-	-	-	-	-
(9,766)	-	-	(3,321)	-	(9,937)	(13,444)
-	-	-	-	-	-	-
2,750,232	5,285,008	17,084,924	32,895,893	47,905,928	2,880,155	45,807,844
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,001,836	2,071,813	1,308,279	1,946,185	2,256,189	1,689,054	688,345
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,001,836	2,071,813	1,308,279	1,946,185	2,256,189	1,689,054	688,345
3,752,067	7,356,820	18,393,203	34,842,078	50,162,117	4,569,209	46,496,189
141,583,269	142,501,826	137,703,206	153,892,322	124,578,879	148,270,459	132,710,166
(30,191,705)	(25,145,856)	(21,866,861)	(23,164,116)	(23,243,840)	(26,290,649)	(31,790,344)
(17,172,441)	(18,326,419)	(18,080,381)	(23,807,720)	(13,762,607)	(9,465,787)	(4,363,785)
-	-	-	-	-	-	-
(52,051,074)	(45,710,670)	(42,761,376)	(44,848,429)	(44,817,038)	(50,451,517)	(45,421,176)
42,168,049	53,318,882	54,994,589	62,072,056	42,755,395	62,062,506	51,134,861
(38,415,982)	(45,962,062)	(36,601,386)	(27,229,978)	7,406,723	(57,493,297)	(4,638,672)
825,047,252	786,631,270	740,669,208	704,067,822	676,837,844	684,244,567	626,751,270
6.31%	5.81%	5.77%	6.37%	6.62%	7.37%	7.25%

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 onwards)	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 2025 budgeted CPI Discount rate: 5 year average rate for 15 year Australian Government Securities (AGS) bonds 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.	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: $PV(Decommissioning)_t = C_{T_E} \times \frac{(1+i)^{T_D-T_E}}{(1+r)^{T_D-T_E}}$ 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/vegetation 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 onwards)	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. <u>Midpoint Net Capital Expenditure Gross Up</u> 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) per cent 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 onwards)	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 onwards)	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 onwards)	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 onwards)	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 onwards)	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 onwards)	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 onwards)	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 sourced 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 onwards)	Estimate	Dependent on rate of return estimates.	Rate of return sources are explained in Item: Return of capital: Return on capital (Rate of return) (2025) 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)' (2025) 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 onwards)	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: <u>Gearing:</u> SGSPAA Financial Report Balance Sheet and Treasury Report. <u>Cost of debt:</u> SGSPAA Financial Report and Treasury Report. <u>Risk-free rate:</u> RBA Treasury Bonds – Daily – F16 Indicative mid rates of selected Australian Government Securities <u>Equity beta:</u> Estimated from a sample of listed international comparators from OECD countries (0.89) <u>Market Risk Premium (MRP):</u> AER's RoR instrument for 2022 (6.2%)	<u>Gearing</u> 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. <u>Gamma (imputation credits)</u> 57% as determined in the AER's 2022 RoR instrument. <u>Cost of debt (pre-tax)</u> Calculated as the SGSPAA actual portfolio cost of debt for the reporting period, consistent with the AER's Pipeline Information Disclosure Guideline. <u>Cost of equity (post-tax)</u> $r_e = r_f + \beta_e(r_m - r_f)$ 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. $WACC^{vanilla} = \text{gearing} \times r_d + (1 - \text{gearing}) \times r_e$ Where r_d is the cost of debt, and r_e is the cost of equity. <u>Gearing</u> 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. <u>Cost of debt</u> Cost of debt is calculated by dividing SGSPAA interest expense by SGSPAA Debt. <u>Cost of equity</u> The cost of equity 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
4.1	Pipeline assets (RCM)	4.1PARCM_F39:BH39	For information: Rate of return (WACC) (1998-2025)	Estimate	Impact of Rate of return components.	Items 'Return of capital: Return on capital' (2025) 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	<p>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.</p> <p>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</p>
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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		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. <u>Actual</u> The service provider extracted Description of works, Date recognised and Expenditure (\$ nominal) from the SAP FAMR, SAP WBS elements cost download.	
4.1.2	Historical expansions and extensions	4.1.2HEAE_C47:E73	Description of works, Date recognised, Expenditure (\$ nominal)	Actual		SAP FAMR		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 2.2.1The 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. 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.	
4.1.3	Planned expansions and extensions of capacity	4.1.3.PEAEOC_CB0:G97	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			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. The pipeline had one planned expansions and/or extensions as at the end of the current reporting period which had passed Financial Investment Decision (FID) based on confirmation obtained from the pipeline's commercial team. The EGP Reversal project involves compressor and other modification works at the Michelago Compressor Station, Mila Compressor Station and Longford Compressor Station to enable southerly flows on the EGP between Kembla Grange (NSW) and Longford (Vic). Dates reported under 'Proposed commissioning date, or a range of dates' and 'Expected end date, or range of dates' represent the expected time range of the project's commissioning, as per the service provider's Facility Development Project reporting on the AEMO Bulletin Board. The facility's proposed nameplate rating is as per the service provider's Facility Development Project reporting on the AEMO Bulletin Board. Proposed direct capital expenditure is shown in the reporting template. Proposed expenditure is sourced from the service provider's internal approval relating to the project. The service provider has not identified any proposed incremental operating expenditure in relation to this project in its internal project approval. 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.	



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Independent Assurance Report to the Directors of Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd

Scope

We have been engaged by directors of Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd (the "Companies") to perform a "limited assurance engagement", as defined by Standards on Assurance Engagements, here after referred to as the engagement, to report on the Non-Financial Information (the "Subject Matter") contained in included in the Companies' Part 10 Reporting Templates listed below for the regulatory year ended 31 December 2025 (the "Report"):

Template	Table
5.0 Historical demand	5.1 Historical demand information 5.2 Demand by pipeline service 5.3 Daily demand

Information other than the Non-Financial Information and Independent Assurance Report thereon

The Companies' management are responsible for the other information. The other information comprises the actual and estimated historical financial information included in the above Part 10 Financial Reporting Templates but does not include the Subject Matter and our independent assurance report thereon.

Our conclusion on the Subject Matter does not cover the other information and accordingly we do not express any form of assurance conclusion thereon within this independent assurance report.

Criteria applied by the Companies

In preparing the Subject Matter, the Companies applied the Gas Pipeline Information Disclosure requirements issued by Australian Energy Regulator (the AER) on 27 October 2023 pursuant to Part 10 of the National Gas Rules (the "Guideline") and the Basis of Preparation as prescribed by the Guideline (the "Criteria"). Such Criteria were specifically designed for compliance with the Guideline. As a result, the Subject Matter information may not be suitable for another purpose.

The Companies' responsibilities

The Companies' management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

The AER's Responsibilities

The AER's management is responsible for the evaluation of the underlying Subject Matter against the applicable Criteria.



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EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the Auditing and Assurance Standards Board and the terms of reference for this engagement as agreed with the Companies on 16 October 2025. That standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information, and applying analytical and other appropriate procedures.



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Our procedures included:

- ▶ conducting interviews with personnel to understand the business and reporting process.
- ▶ checking the calculation criteria have been appropriately applied in accordance with the methodologies outlined in the Criteria; and
- ▶ performing analytical review procedures to support the reasonableness of the non-financial information.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to non-financial information contained within the above Part 10 Financial Reporting Templates of the Company's for the regulatory year ended 31 December 2025, in order for it to be in accordance with the Criteria.

Restriction on distribution

This assurance report has been prepared in accordance with the requirements of the Order. Our report is intended solely for the Companies and the AER (collectively the "Recipients"), and should not be distributed to parties other than the Recipients.

A handwritten signature in blue ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in blue ink, appearing to be "Brett Croft".

Brett Croft
Partner
Melbourne
29 May 2026



Part 10 Financial Reporting
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Year ending 31/12/2025
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 5.1: Historical demand information

Basis of Preparation ID	Description of the information	Publicly available link on Gas Bulletin Board

Table 5.2: Demand by pipeline service

	Contracted MDQ
	TJ/day
Firm forward haul transportation service	189
Backhaul service	19
Interruptible or as available transportation service	-
Firm stand-alone compression service	-
Interruptible or as available stand-alone compression service	-
Park service	31
Park and loan services	-
Capacity trading service	-
In pipe trading service	-
Other	23

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	75,961	11,457	123,036	-	3,411	39,029	(35,619)
1/01/2025	208	31	277	350	73	112	(39)
2/01/2025	208	31	318	350	32	112	(80)
3/01/2025	208	31	331	350	19	112	(93)
4/01/2025	208	31	331	350	19	112	(93)
5/01/2025	208	31	355	350	(5)	112	(117)
6/01/2025	208	31	361	350	(11)	112	(123)
7/01/2025	208	31	350	350	0	112	(111)
8/01/2025	208	31	340	350	10	112	(102)
9/01/2025	208	31	328	350	22	112	(90)
10/01/2025	208	31	365	350	(15)	112	(127)
11/01/2025	208	31	334	350	16	112	(96)
12/01/2025	208	31	321	350	29	112	(83)
13/01/2025	208	31	343	350	7	112	(105)
14/01/2025	208	31	345	350	5	112	(107)
15/01/2025	208	31	372	350	(22)	112	(133)
16/01/2025	208	31	332	350	18	112	(94)
17/01/2025	208	31	335	350	15	112	(97)
18/01/2025	208	31	331	350	19	112	(93)
19/01/2025	208	31	315	350	35	112	(76)
20/01/2025	208	31	328	350	22	112	(90)
21/01/2025	208	31	354	350	(4)	112	(115)
22/01/2025	208	31	336	350	14	112	(98)
23/01/2025	208	31	391	350	(41)	112	(153)

24/01/2025	208	31	363	350	(13)	112	(125)
25/01/2025	208	31	319	350		112	(81)
26/01/2025	208	31	343	350	7	112	(105)
27/01/2025	208	31	357	350	(7)	112	(119)
28/01/2025	208	31	348	350	2	112	(110)
29/01/2025	208	31	325	350	25	112	(87)
30/01/2025	208	31	304	350	46	112	(66)
31/01/2025	208	31	319	350	31	112	(81)
1/02/2025	208	31	294	350	56	112	(56)
2/02/2025	208	31	343	350	7	112	(105)
3/02/2025	208	31	330	350	20	112	(92)
4/02/2025	208	31	294	350	56	112	(55)
5/02/2025	208	31	271	350	79	112	(33)
6/02/2025	208	31	296	350	54	112	(58)
7/02/2025	208	31	359	350	(9)	112	(121)
8/02/2025	208	31	388	350	(38)	112	(149)
9/02/2025	208	31	370	350	(20)	112	(132)
10/02/2025	208	31	357	350	(7)	112	(119)
11/02/2025	208	31	367	350	(17)	112	(129)
12/02/2025	208	31	341	350	9	112	(103)
13/02/2025	208	31	319	350	31	112	(81)
14/02/2025	208	31	298	350	52	112	(60)
15/02/2025	208	31	282	350	68	112	(44)
16/02/2025	208	31	292	350	58	112	(53)
17/02/2025	208	31	327	350	23	112	(89)
18/02/2025	208	31	322	350	28	112	(84)
19/02/2025	208	31	318	350	32	112	(80)
20/02/2025	208	31	322	350	28	112	(84)
21/02/2025	208	31	293	350	57	112	(54)
22/02/2025	208	31	296	350	54	112	(58)
23/02/2025	208	31	297	350	53	112	(59)
24/02/2025	208	31	288	350	62	112	(50)
25/02/2025	208	31	270	350	80	112	(32)
26/02/2025	208	31	286	350	64	112	(48)
27/02/2025	208	31	289	350	61	112	(51)
28/02/2025	208	31	283	350	67	112	(45)
1/03/2025	208	31	355	350	(5)	112	(117)
2/03/2025	208	31	326	350	24	112	(88)
3/03/2025	208	31	341	350	9	112	(103)
4/03/2025	208	31	325	350	25	112	(87)
5/03/2025	209	31	302	350	48	111	(63)
6/03/2025	209	31	312	350	38	111	(72)
7/03/2025	209	31	354	350	(4)	111	(115)
8/03/2025	209	31	357	350	(7)	111	(118)
9/03/2025	209	31	356	350	(6)	111	(117)
10/03/2025	209	31	368	350	(18)	111	(129)
11/03/2025	209	31	380	350	(30)	111	(141)
12/03/2025	209	31	367	350	(17)	111	(128)
13/03/2025	209	31	377	350	(27)	111	(138)
14/03/2025	209	31	395	350	(45)	111	(156)
15/03/2025	209	31	373	350	(23)	111	(134)
16/03/2025	209	31	320	350	30	111	(81)
17/03/2025	209	31	288	350	62	111	(49)
18/03/2025	209	31	323	350	27	111	(83)
19/03/2025	209	31	363	350	(13)	111	(124)
20/03/2025	209	31	341	350	9	111	(101)
21/03/2025	209	31	314	350	36	111	(75)
22/03/2025	209	31	303	350	47	111	(64)
23/03/2025	209	31	321	350	29	111	(82)
24/03/2025	209	31	347	350	3	111	(108)
25/03/2025	209	31	363	350	(13)	111	(124)
26/03/2025	209	31	366	350	(16)	111	(126)
27/03/2025	209	31	383	350	(33)	111	(144)
28/03/2025	209	31	384	350	(34)	111	(145)
29/03/2025	209	31	351	350	(1)	111	(112)
30/03/2025	209	31	372	350	(22)	111	(133)
31/03/2025	209	31	364	350	(14)	111	(124)
1/04/2025	207	35	384	350	(34)	108	(143)
2/04/2025	207	35	375	353	(22)	111	(134)
3/04/2025	207	35	371	353	(18)	111	(130)
4/04/2025	207	35	401	353	(48)	111	(159)
5/04/2025	207	35	366	353	(13)	111	(125)

6/04/2025	207	35	355	353	(2)	111	(113)
7/04/2025	207	35	388	353	(35)	111	(147)
8/04/2025	207	35	406	353	(53)	111	(165)
9/04/2025	207	35	381	353	(28)	111	(140)
10/04/2025	207	35	359	353	(6)	111	(117)
11/04/2025	207	35	348	353	5	111	(107)
12/04/2025	207	35	371	353	(18)	111	(129)
13/04/2025	207	35	413	353	(60)	111	(171)
14/04/2025	207	35	403	353	(50)	111	(161)
15/04/2025	207	35	415	353	(62)	111	(174)
16/04/2025	207	35	401	353	(48)	111	(159)
17/04/2025	207	35	412	353	(59)	111	(170)
18/04/2025	207	35	395	353	(42)	111	(154)
19/04/2025	207	35	395	353	(42)	111	(154)
20/04/2025	207	35	354	353	(1)	111	(113)
21/04/2025	207	35	348	353	5	111	(106)
22/04/2025	207	35	384	353	(31)	111	(142)
23/04/2025	207	35	398	353	(45)	111	(156)
24/04/2025	207	35	394	353	(41)	111	(153)
25/04/2025	207	35	386	353	(33)	111	(145)
26/04/2025	207	35	407	349	(58)	107	(165)
27/04/2025	207	35	377	349	(28)	107	(136)
28/04/2025	207	35	365	349	(16)	107	(124)
29/04/2025	207	35	379	349	(30)	107	(137)
30/04/2025	207	35	350	349	(1)	107	(109)
1/05/2025	207	35	306	349	43	107	(64)
2/05/2025	207	35	324	349	25	107	(82)
3/05/2025	207	35	274	349	75	107	(33)
4/05/2025	207	35	301	349	48	107	(60)
5/05/2025	207	35	330	349	19	107	(89)
6/05/2025	207	35	297	349	52	107	(55)
7/05/2025	207	35	313	349	36	107	(71)
8/05/2025	207	35	337	349	12	107	(96)
9/05/2025	207	35	357	349	(8)	107	(116)
10/05/2025	207	35	334	349	15	107	(92)
11/05/2025	207	35	288	349	61	107	(47)
12/05/2025	207	35	312	349	37	107	(71)
13/05/2025	207	35	302	349	47	107	(60)
14/05/2025	207	35	342	349	7	107	(100)
15/05/2025	207	35	316	349	33	107	(74)
16/05/2025	207	35	341	349	8	107	(99)
17/05/2025	207	35	274	349	75	107	(32)
18/05/2025	207	35	319	349	30	107	(77)
19/05/2025	207	35	341	349	8	107	(99)
20/05/2025	207	35	330	349	19	107	(88)
21/05/2025	207	35	310	349	39	107	(68)
22/05/2025	207	35	306	349	43	107	(64)
23/05/2025	207	35	286	349	63	107	(44)
24/05/2025	207	35	259	349	90	107	(17)
25/05/2025	207	35	266	349	83	107	(24)
26/05/2025	207	35	280	349	69	107	(38)
27/05/2025	207	35	262	349	87	107	(21)
28/05/2025	207	35	277	349	72	107	(36)
29/05/2025	207	35	236	349	113	107	5
30/05/2025	207	35	259	349	90	107	(17)
31/05/2025	207	35	281	349	68	107	(40)
1/06/2025	207	35	273	349	76	107	(31)
2/06/2025	207	35	340	349	9	107	(99)
3/06/2025	207	35	302	349	47	107	(60)
4/06/2025	207	35	313	349	36	107	(71)
5/06/2025	207	35	295	349	54	107	(54)
6/06/2025	207	35	336	349	13	107	(94)
7/06/2025	207	35	264	349	85	107	(22)
8/06/2025	207	35	270	349	79	107	(29)
9/06/2025	207	35	298	349	51	107	(57)
10/06/2025	207	35	346	349	3	107	(105)
11/06/2025	207	35	316	349	33	107	(75)
12/06/2025	207	35	399	349	(50)	107	(158)
13/06/2025	207	35	350	349	(1)	107	(109)
14/06/2025	207	35	308	349	41	107	(67)
15/06/2025	207	35	374	349	(25)	107	(133)
16/06/2025	207	35	404	349	(55)	107	(162)

17/06/2025	207	35	376	349	(27)	107	(134)
18/06/2025	207	35	450	349	(101)	107	(208)
19/06/2025	207	35	424	349	(75)	107	(182)
20/06/2025	207	35	385	349	(36)	107	(143)
21/06/2025	209	31	327	349	22	110	(88)
22/06/2025	209	31	298	349	51	110	(58)
23/06/2025	209	31	288	349	61	110	(49)
24/06/2025	209	31	482	349	(133)	110	(243)
25/06/2025	209	31	471	349	(122)	110	(232)
26/06/2025	209	31	634	349	(285)	110	(395)
27/06/2025	209	31	607	349	(258)	110	(368)
28/06/2025	209	31	572	349	(223)	110	(333)
29/06/2025	209	31	617	349	(268)	110	(378)
30/06/2025	209	31	469	349	(120)	110	(229)
1/07/2025	209	31	442	349	(93)	110	(203)
2/07/2025	209	31	398	349	(49)	110	(159)
3/07/2025	209	31	351	349	(2)	110	(112)
4/07/2025	209	31	370	349	(21)	110	(131)
5/07/2025	209	31	301	349	48	110	(62)
6/07/2025	209	31	317	349	32	110	(78)
7/07/2025	209	31	348	349	1	110	(108)
8/07/2025	209	31	344	349	5	110	(105)
9/07/2025	209	31	316	349	33	110	(76)
10/07/2025	209	31	355	349	(6)	110	(116)
11/07/2025	209	31	369	349	(20)	110	(130)
12/07/2025	209	31	342	349	7	110	(103)
13/07/2025	209	31	307	349	42	110	(68)
14/07/2025	209	31	402	349	(53)	110	(163)
15/07/2025	209	31	466	349	(117)	110	(227)
16/07/2025	209	31	402	349	(53)	110	(162)
17/07/2025	209	31	370	349	(21)	110	(131)
18/07/2025	209	31	351	349	(2)	110	(111)
19/07/2025	209	31	254	349	95	110	(15)
20/07/2025	209	31	299	349	50	110	(60)
21/07/2025	209	31	297	349	52	110	(58)
22/07/2025	209	31	287	349	62	110	(48)
23/07/2025	209	31	303	349	46	110	(64)
24/07/2025	209	31	308	349	41	110	(69)
25/07/2025	209	31	294	349	55	110	(55)
26/07/2025	209	31	282	349	67	110	(43)
27/07/2025	209	31	294	349	55	110	(54)
28/07/2025	209	31	312	349	37	110	(73)
29/07/2025	209	31	389	349	(40)	110	(150)
30/07/2025	209	31	367	349	(18)	110	(128)
31/07/2025	209	31	376	349	(27)	110	(136)
1/08/2025	209	31	409	349	(60)	110	(170)
2/08/2025	209	31	406	349	(57)	110	(167)
3/08/2025	209	31	330	349	19	110	(91)
4/08/2025	209	31	357	349	(8)	110	(117)
5/08/2025	209	31	292	349	57	110	(53)
6/08/2025	209	31	373	349	(24)	110	(134)
7/08/2025	209	31	381	349	(32)	110	(141)
8/08/2025	209	31	350	349	(1)	110	(110)
9/08/2025	209	31	327	349	22	110	(88)
10/08/2025	209	31	278	349	71	110	(39)
11/08/2025	209	31	399	349	(50)	110	(160)
12/08/2025	209	31	468	349	(119)	110	(229)
13/08/2025	209	31	450	349	(101)	110	(211)
14/08/2025	209	31	382	349	(33)	110	(143)
15/08/2025	209	31	369	349	(20)	110	(130)
16/08/2025	209	31	326	349	23	110	(87)
17/08/2025	209	31	404	349	(55)	110	(165)
18/08/2025	209	31	435	349	(86)	110	(196)
19/08/2025	209	31	417	349	(68)	110	(178)
20/08/2025	209	31	410	349	(61)	110	(171)
21/08/2025	209	31	390	349	(41)	110	(150)
22/08/2025	209	31	390	349	(41)	110	(150)
23/08/2025	209	31	342	349	7	110	(103)
24/08/2025	209	31	340	349	9	110	(101)
25/08/2025	209	31	330	349	19	110	(91)
26/08/2025	209	31	341	349	8	110	(102)
27/08/2025	209	31	335	349	14	110	(96)

28/08/2025	209	31	345	349	4	110	(106)
29/08/2025	209	31	327	349	22	110	(88)
30/08/2025	209	31	359	349	(10)	110	(120)
31/08/2025	209	31	358	349	(9)	110	(119)
1/09/2025	209	31	419	349	(70)	110	(179)
2/09/2025	209	31	335	349	14	110	(96)
3/09/2025	209	31	315	349	34	110	(76)
4/09/2025	209	31	308	349	41	110	(69)
5/09/2025	209	31	291	349	56	110	(52)
6/09/2025	209	31	275	349	74	110	(36)
7/09/2025	209	31	267	349	82	110	(28)
8/09/2025	209	31	275	349	74	110	(36)
9/09/2025	209	31	306	349	43	110	(67)
10/09/2025	209	31	278	349	71	110	(39)
11/09/2025	209	31	348	349	1	110	(109)
12/09/2025	209	31	344	349	5	110	(105)
13/09/2025	209	31	311	349	38	110	(72)
14/09/2025	209	31	258	349	91	110	(19)
15/09/2025	209	31	298	349	51	110	(59)
16/09/2025	209	31	289	349	60	110	(50)
17/09/2025	209	31	303	349	46	110	(64)
18/09/2025	209	31	298	349	51	110	(59)
19/09/2025	209	31	270	349	79	110	(30)
20/09/2025	209	31	267	349	82	110	(28)
21/09/2025	209	31	296	349	53	110	(57)
22/09/2025	209	31	319	349	30	110	(80)
23/09/2025	209	31	311	349	38	110	(71)
24/09/2025	209	31	362	349	(13)	110	(123)
25/09/2025	209	31	351	349	(2)	110	(112)
26/09/2025	209	31	262	349	87	110	(23)
27/09/2025	209	31	268	349	81	110	(29)
28/09/2025	209	31	348	349	1	110	(109)
29/09/2025	209	31	334	349	15	110	(95)
30/09/2025	209	31	300	349	49	110	(61)
1/10/2025	209	31	340	337	(3)	98	(101)
2/10/2025	209	31	333	337	3	98	(94)
3/10/2025	209	31	345	337	(8)	98	(106)
4/10/2025	209	31	310	337	26	98	(71)
5/10/2025	209	31	299	337	38	98	(59)
6/10/2025	209	31	340	337	(3)	98	(101)
7/10/2025	209	31	339	337	(3)	98	(100)
8/10/2025	209	31	352	337	(15)	98	(113)
9/10/2025	209	31	344	337	(7)	98	(104)
10/10/2025	209	31	341	337	(4)	98	(102)
11/10/2025	209	31	344	337	(7)	98	(105)
12/10/2025	209	31	329	337	8	98	(89)
13/10/2025	209	31	359	337	(22)	98	(120)
14/10/2025	209	31	337	337	(0)	98	(98)
15/10/2025	209	31	353	337	(16)	98	(114)
16/10/2025	209	31	322	337	15	98	(82)
17/10/2025	209	31	337	337	(0)	98	(98)
18/10/2025	209	31	323	337	14	98	(84)
19/10/2025	209	31	332	337	5	98	(93)
20/10/2025	209	31	390	337	(53)	98	(151)
21/10/2025	209	31	358	337	(21)	98	(119)
22/10/2025	209	31	372	337	(36)	98	(133)
23/10/2025	209	31	369	337	(33)	98	(130)
24/10/2025	209	31	359	337	(22)	98	(120)
25/10/2025	209	31	365	337	(28)	98	(126)
26/10/2025	209	31	348	337	(12)	98	(109)
27/10/2025	209	31	369	337	(33)	98	(130)
28/10/2025	209	31	374	337	(37)	98	(135)
29/10/2025	209	31	388	337	(51)	98	(149)
30/10/2025	209	31	367	337	(31)	98	(128)
31/10/2025	209	31	362	337	(25)	98	(123)
1/11/2025	209	31	334	337	3	98	(95)
2/11/2025	209	31	308	337	29	98	(69)
3/11/2025	209	31	344	337	(7)	98	(105)
4/11/2025	209	31	341	337	(5)	98	(102)
5/11/2025	209	31	344	337	(8)	98	(105)
6/11/2025	209	31	339	337	(3)	98	(100)
7/11/2025	209	31	322	337	15	98	(83)

8/11/2025	209	31	315	337	21	98	(76)
9/11/2025	209	31	319	337	17	98	(80)
10/11/2025	209	31	361	337	(24)	98	(122)
11/11/2025	209	31	366	337	(29)	98	(127)
12/11/2025	209	31	336	337	1	98	(96)
13/11/2025	209	31	336	337	0	98	(97)
14/11/2025	209	31	323	337	13	98	(84)
15/11/2025	209	31	324	337	13	98	(85)
16/11/2025	209	31	325	337	11	98	(86)
17/11/2025	209	31	360	337	(23)	98	(121)
18/11/2025	209	31	338	337	(1)	98	(99)
19/11/2025	209	31	330	337	7	98	(91)
20/11/2025	209	31	320	337	17	98	(80)
21/11/2025	209	31	323	337	14	98	(84)
22/11/2025	209	31	324	337	13	98	(84)
23/11/2025	209	31	303	337	34	98	(64)
24/11/2025	209	31	311	337	26	98	(72)
25/11/2025	209	31	334	337	3	98	(95)
26/11/2025	209	31	343	337	(6)	98	(103)
27/11/2025	209	31	334	337	3	98	(95)
28/11/2025	209	31	310	337	27	98	(71)
29/11/2025	209	31	249	337	87	98	(10)
30/11/2025	209	31	254	337	83	98	(15)
1/12/2025	209	31	252	337	84	98	(13)
2/12/2025	209	31	235	337	102	98	4
3/12/2025	209	31	182	337	155	98	57
4/12/2025	209	31	258	337	79	98	(19)
5/12/2025	209	31	247	337	90	98	(8)
6/12/2025	209	31	227	337	110	98	12
7/12/2025	209	31	230	337	107	98	10
8/12/2025	209	31	284	337	53	98	(45)
9/12/2025	209	31	376	337	(39)	98	(137)
10/12/2025	209	31	354	337	(17)	98	(115)
11/12/2025	209	31	301	337	36	98	(62)
12/12/2025	209	31	304	337	33	98	(65)
13/12/2025	209	31	305	337	32	98	(66)
14/12/2025	209	31	311	337	25	98	(72)
15/12/2025	209	31	291	337	45	98	(52)
16/12/2025	209	31	270	337	67	98	(31)
17/12/2025	209	31	276	337	61	98	(37)
18/12/2025	209	31	255	337	82	98	(16)
19/12/2025	209	31	330	337	7	98	(91)
20/12/2025	209	31	342	337	(5)	98	(103)
21/12/2025	209	31	335	337	2	98	(96)
22/12/2025	209	31	332	337	4	98	(93)
23/12/2025	209	31	275	337	61	98	(36)
24/12/2025	209	31	317	337	20	98	(78)
25/12/2025	209	31	253	337	84	98	(14)
26/12/2025	209	31	248	337	89	98	(9)
27/12/2025	209	31	256	337	80	98	(17)
28/12/2025	209	31	257	337	80	98	(18)
29/12/2025	209	31	289	337	48	98	(50)
30/12/2025	209	31	282	337	55	98	(42)
31/12/2025	209	31	267	337	70	98	(28)

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	N/A	Historical demand information	N/A	N/A	N/A	N/A	N/A	None noted
5.2	Demand by pipeline service	N/A	Contracted MDQ: TJ/day	Actual		PypIT		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		PypIT		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). <u>Contracted firm capacity – transportation</u> The contracted firm capacity (transportation) per day was calculated as the sum of daily contracted MDQ of each contracted firm active transportation service. <u>Contracted firm capacity – storage</u> 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). <u>Utilised capacity</u> 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 services. <u>Pipeline nameplate capacity</u> 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



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Independent Assurance Report to the Directors of Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd

Scope

We have been engaged by Jemena Eastern Gas Pipeline (1) Pty Ltd & Jemena Eastern Gas Pipeline (2) Pty Ltd (the "Companies") to perform a limited assurance engagement, as defined by Standards on Assurance Engagements, (hereafter referred to as "the engagement"), to report on the Cost Allocation Methodology that outlines the cost allocation principles and methods (the "Subject Matter") that is included in the Companies' Part 10 Reporting Templates for the regulatory year ended 31 December 2025 (the "Report").

Information other than the Financial Information and Independent Assurance Report thereon

The Companies' management are responsible for the other information. The other information comprises the actual and estimated historical financial information included in the above Part 10 Financial Reporting Templates but does not include the Subject Matter and our independent assurance report thereon.

Our conclusion on the Subject Matter does not cover the other information and accordingly we do not express any form of assurance conclusion thereon within this independent assurance report.

Criteria applied by the Companies

In preparing the Subject Matter, the Companies applied the Gas Pipeline Information Disclosure requirements issued by Australian Energy Regulator (the AER) on 27 October 2023 pursuant to Part 10 of the National Gas Rules (the "Guideline") and the principles set out in Rule 103(4) of the National Gas Rules (the NGR) (the "Criteria"). Such Criteria were specifically designed for compliance with the Guideline. As a result, the Subject Matter information may not be suitable for another purpose.

The Companies' responsibilities

The Companies' management is responsible for presenting the Subject Matter in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a limited assurance conclusion as to whether the Subject Matter has been properly prepared in accordance with the Criteria based on the evidence we have obtained.

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the Auditing and Assurance Standards Board and the terms of reference for this engagement as agreed with the Companies on 16 October 2025. That standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



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Our independence and quality management

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Enquiries with management to understand the internal controls, governance structure and reporting process in relation to the Cost Allocation Methodology;
- ▶ Review of relevant documentation including the Cost Allocation Methodology prepared by the Companies;
- ▶ Walkthroughs and review the cost allocation process undertaken using the Cost Allocation Methodology; and
- ▶ Evaluating the appropriateness of the Cost Allocation Methodology in accordance with the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Cost Allocation Methodology has not been, in all material respects, properly prepared in accordance with the Part 10 of the National Gas Rules and the principles set out in Rule 103(4) of the National Gas Rules. for the regulatory year ended 31 December 2025.



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Restriction on distribution

This assurance report has been prepared in accordance with the requirements of the Order. Our report is intended solely for the Companies and the AER (collectively the "Recipients") and should not be distributed to parties other than the Recipients.

A handwritten signature in blue ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in blue ink, appearing to be "Brett Croft".

Brett Croft
Partner
Melbourne
29 May 2026

Eastern Gas Pipeline

EGP Cost Allocation Methodology

Public

This information was last updated on 29/5/2026, is current as of that date and replaces all previous versions.

29 May 2026



An appropriate citation for this paper is:

EGP Cost Allocation Methodology

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Authorisation

Name	Job Title	Date	Signature
Approved by:			
Nurcan Hasan	General Manager, Business Performance	29 May 2026	

History

Rev No	Date	Description of changes	Author
1.0	27 June 2025	Initial version	Anthony Walker
1.1	29 May 2026	Revised version	Anthony Walker

Owning Functional Area

Business Function Owner:	Commercial Finance Energy Markets
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Review Details

Review Period:	Revision Date/Last Review Date + 2 years
Next Review Due:	29 May, 2028

TABLE OF CONTENTS

Abbreviations	iv
Overview	v
1. Nature, scope and purpose	1
2. Pipeline services	2
3. Cost allocation principles and policies	3
3.1 Overview of approach	3
3.2 Attributable costs to pipeline	3
3.3 Allocated costs to pipeline	4
4. Cost allocation to services	6
5. Accountabilities and responsibilities	7
6. Record maintenance	8

List of tables

Table 3–1: Summary of cost categories and assignment methodology to pipeline	3
Table 3–2: Pipeline attributable costs.....	4
Table 3–3: Description of corporate overhead cost items	5
Table 3–4: Description of pipeline overhead cost items	5
Table 4–1: Summary of cost categories and assignment methodology to pipeline services	6

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 2025 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 unominated transportation capacity on a day-ahead basis through a competitive bidding process facilitated by AEMO.

Third party works safety supervision: The supervision by Jemena of third party works in the vicinity of the pipeline, to ensure the safety and integrity of Jemena's assets.

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) of the NGR 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 the direct spend profile of 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 **Error! Reference source not found.**Table 3-3

Table 3–3: Description of corporate overhead cost items

Description
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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

