KPMG

Independent Auditor's Review Report

To the Directors of the Queensland Gas Pipeline Service Providers

Report on the review of the Financial Information within the Financial Reporting Guideline for Non-Scheme Pipeline templates

Conclusion

We have reviewed the financial information in Tables 4, 4.1, 5 and 5.1 of the Financial Reporting Guideline for Non-scheme Pipeline templates (Financial Information) of the Queensland Gas Pipeline Service Providers (Service Providers).

The Queensland Gas Pipeline Service Providers comprises the following entities:
- Jemena Queensland Gas Pipeline (1) Pty Ltd
- Jemena Queensland Gas Pipeline (2) Pty Ltd

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Financial Information within the Financial Reporting Guideline for Non-scheme Pipeline templates for the year ended 31 December 2021 is not prepared, in all material respects, in accordance with the Financial Reporting Guideline for Non-Scheme Pipelines (Guideline) issued by the Australian Energy Regulator (AER) on 19 December 2017 and the Basis of Preparation as prescribed by the Guideline.

Emphasis of matter – basis of preparation and restriction on use

The Financial Information has been prepared in accordance with the Basis of Preparation as prescribed by the Guideline and has been prepared by the Directors of the Service Providers to meet their reporting requirements under the Guideline. As a result, the Financial Information and this Auditor's Review Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of the Service Providers and should not be used by parties other than the Directors of the Service Providers. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Information to which it relates, to any person other than the Directors of the Service Providers, or for any other purpose than that for which it was prepared.

Other Information

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

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

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

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

Matters relating to the electronic publication of the reviewed Financial Information

This Auditor's Review Report relates to the Financial Information of the Service Providers for the year ended 31 December 2021 included on the Jemena website. The Directors of the Service Providers are responsible for the integrity of the Jemena website. We have not been engaged to report on the integrity of the Jemena website. The Auditor's Review Report refers only to the subject matter described above. It does not provide a conclusion or opinion on any other information which may have been hyperlinked to/from the Financial Information.

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Responsibilities of the Directors and Management for the Financial Information

Management of the Service Providers is responsible for:

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

The Directors of the Service Providers are responsible for:

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

Auditor's responsibilities for the review of the Financial Information

Our responsibility is to express a conclusion on the Financial Information in order to state whether, on the basis of the procedures described below, we have become aware of any matter that makes us believe that the Financial Information is materially misstated and does not comply with the requirements of the Guideline.

We conducted our review of the Financial Information in accordance with the *Australian Standard on Review Engagements* ASRE 2405 *Review of Historical Information Other than a Financial Report.*

A review of the Financial Information consists of:

- Making enquiries with the persons responsible for financial, accounting and regulatory reporting matters to understand the internal controls, governance structure and reporting process of the Financial Information;
- Applying analytical procedures over the Financial Information; and
- Other review procedures including:
  - performing walkthroughs to understand the process for collating of information in the Financial Information with reference to the service provider's source documentation;
  - evaluating the appropriateness of the Basis of Preparation with respect to the Financial Information; and
  - reviewing the Financial Information in its entirety to ensure it is consistent with our overall knowledge of our review engagement.

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 or reasonable assurance opinion.

Independence and quality control

As required by ASRE 2405, we have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* (including Independence Standards) issued by the *Accounting Professional and Ethical Standards Board*, and complied with the applicable requirements of *Australian Standard on Quality Control 1* to maintain a comprehensive system of quality control.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud or error may occur and not be detected. A limited assurance engagement as at specified date does not provide assurance on whether compliance with the Guideline will continue in the future.

KPMG

Gordon Sangster
Partner
Melbourne
29 April 2022

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending   **31/12/2021**

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description		Total	1989	1990	1991	1992
	Pipeline assets						
4.1.a		Construction cost	135,917,863	100,179,545	13,360,591	22,377,727	
4.1.b		Negative residual value	11,625,362	5,210,146	116,108	118,696	121,341
4.1.a		Additions	237,493,612				
4.1.c		Maintenance capitalised	-				
4.1.d		Disposal (at cost)	-				
		Leased Asset	-				
		Cost base	385,036,838	**105,389,691**	**13,476,699**	**22,496,423**	**121,341**
	Shared assets						
4.1.e		Construction cost or acquisition cost (where allowed) apportioned	-				
4.1.f		Additions	9,883,405				
4.1.e		Maintenance capitalised	-				
4.1.e		Disposal (at cost)	-				
		Leased Asset	-				
		Cost base	9,883,405	-	-	-	-
		Total assets	394,920,243	105,389,691	13,476,699	22,496,423	121,341
	Return of capital						
4.1.g		Revenue	940,478,104		12,433,000	18,764,000	19,268,000
4.1.g		Operating expenses	(350,115,532)		(2,837,000)	(3,203,000)	(3,400,000)
4.1.h		Net tax liabilities	(5,047,815)		-	-	-
		Leased Asset Interest/Financing Charge	-				
4.1.i		Return on capital	(1,396,812,838)		(17,669,669)	(20,051,071)	(23,646,652)
		Total Return of Capital	(811,498,081)	-	**(8,073,669)**	**(4,490,071)**	**(7,778,652)**
		Recovered capital method total asset value	1,206,418,323	**105,389,691**	**21,550,367**	**26,986,494**	**7,899,993**
	For information	Opening asset value			105,389,691	126,940,058	153,926,552
4.1.j	For information	Rate of return (WACC)			16.77%	15.80%	15.36%

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending	31/12/2021

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description		1993	1994	1995	1996	1997	1998	1999
	Pipeline assets								
4.1.a		Construction cost							
4.1.b		Negative residual value	124,045	126,809	129,635	132,524	135,477	138,496	141,583
4.1.a		Additions					82,599	12,250,751	283,426
4.1.c		Maintenance capitalised							
4.1.d		Disposal (at cost)							
		Leased Asset							
		Cost base	124,045	126,809	129,635	132,524	218,076	12,389,247	425,008
	Shared assets								
4.1.e		Construction cost or acquisition cost (where allowed) apportioned							
4.1.f		Additions							
4.1.e		Maintenance capitalised							
4.1.e		Disposal (at cost)							
		Leased Asset							
		Cost base	-	-	-	-	-	-	-
		Total assets	124,045	126,809	129,635	132,524	218,076	12,389,247	425,008
	Return of capital								
4.1.g		Revenue	20,165,000	20,974,000	22,783,000	22,692,795	11,432,551	22,650,746	22,622,790
4.1.g		Operating expenses	(3,225,000)	(3,654,000)	(3,942,000)	(4,321,928)	(2,278,013)	(4,909,582)	(5,300,281)
4.1.h		Net tax liabilities	-	(610,602)	(1,152,841)	(949,893)	(520,763)	(807,638)	(583,954)
		Leased Asset Interest/Financing Charge							
4.1.i		Return on capital	(24,080,153)	(26,050,163)	(26,596,468)	(25,218,123)	(12,246,157)	(24,510,004)	(26,210,696)
		Total Return of Capital	(7,140,153)	(9,340,765)	(8,908,309)	(7,797,149)	(3,612,381)	(7,576,478)	(9,472,141)
		Recovered capital method total asset value	7,264,198	9,467,574	9,037,944	7,929,673	3,830,457	19,965,725	9,897,149
	For information	Opening asset value	161,826,545	169,090,743	178,558,317	187,596,262	195,525,934	199,356,391	219,322,116
4.1.j	For information	Rate of return (WACC)	14.88%	15.41%	14.90%	13.44%	6.26%	12.29%	11.95%

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending   **31/12/2021**

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description		2000	2001	2002	2003	2004	2005	2006
	Pipeline assets								
4.1.a		Construction cost							
4.1.b		Negative residual value	144,738	147,963	151,261	154,632	158,078	161,600	165,202
4.1.a		Additions	15,558,802	28,162	81,403	43,817	22,488	-	-
4.1.c		Maintenance capitalised							
4.1.d		Disposal (at cost)							
		Leased Asset							
		Cost base	**15,703,540**	**176,125**	**232,664**	**198,449**	**180,565**	**161,600**	**165,202**
	Shared assets								
4.1.e		Construction cost or acquisition cost (where allowed) apportioned							
4.1.f		Additions	1,384	-	-	-	-	-	-
4.1.e		Maintenance capitalised							
4.1.e		Disposal (at cost)							
		Leased Asset							
		Cost base	**1,384**	**-**	**-**	**-**	**-**	**-**	**-**
		Total assets	15,704,924	176,125	232,664	198,449	180,565	161,600	165,202
	Return of capital								
4.1.g		Revenue	22,656,661	22,566,802	22,538,846	22,510,890	22,544,454	22,454,901	24,776,363
4.1.g		Operating expenses	(5,707,645)	(6,082,750)	(6,473,449)	(6,864,147)	(7,275,796)	(7,646,616)	(7,970,381)
4.1.h		Net tax liabilities	(422,125)	-	-	-	-	-	-
		Leased Asset Interest/Financing Charge							
4.1.i		Return on capital	(26,727,420)	(28,839,384)	(30,070,446)	(30,418,970)	(31,668,373)	(32,794,986)	(32,280,088)
		Total Return of Capital	**(10,200,529)**	**(12,355,332)**	**(14,005,049)**	**(14,772,227)**	**(16,399,715)**	**(17,986,700)**	**(15,474,106)**
		Recovered capital method total asset value	**25,905,453**	**12,531,457**	**14,237,713**	**14,970,676**	**16,580,280**	**18,148,300**	**15,639,308**
	For information	Opening asset value	229,219,264	255,124,718	267,656,175	281,893,888	296,864,564	313,444,844	331,593,145
4.1.j	For information	Rate of return (WACC)	11.66%	11.30%	11.23%	10.79%	10.67%	10.46%	9.73%

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending   **31/12/2021**

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description								Year
			2007	2008	2009	2010	2011	2012	2013
	Pipeline assets								
4.1.a		Construction cost							
4.1.b		Negative residual value	168,883	172,647	176,494	180,427	184,448	188,559	192,761
4.1.a		Additions	256,986	19,433,238	93,185,572	22,614,148	2,762,636	585,294	10,880,549
4.1.c		Maintenance capitalised							
4.1.d		Disposal (at cost)							
		Leased Asset							
		Cost base	**425,869**	**19,605,884**	**93,362,066**	**22,794,575**	**2,947,084**	**773,853**	**11,073,310**
	Shared assets								
4.1.e		Construction cost or acquisition cost (where allowed) apportioned							
4.1.f		Additions	-	-	1,019,245	-	336,294	1,927,202	162,450
4.1.e		Maintenance capitalised							
4.1.e		Disposal (at cost)							
		Leased Asset							
		Cost base	**-**	**-**	**1,019,245**	**-**	**336,294**	**1,927,202**	**162,450**
		Total assets	425,869	19,605,884	94,381,310	22,794,575	3,283,377	2,701,055	11,235,760
	Return of capital								
4.1.g		Revenue	21,172,840	20,844,572	19,946,230	29,064,149	37,609,293	40,734,734	43,973,468
4.1.g		Operating expenses	(40,117,458)	(11,827,407)	(3,780,761)	(10,359,487)	(15,613,908)	(16,794,058)	(17,052,583)
4.1.h		Net tax liabilities	-	-	-	-	-	-	-
		Leased Asset Interest/Financing Charge							
4.1.i		Return on capital	(33,088,036)	(39,094,710)	(43,520,245)	(55,288,325)	(60,917,156)	(63,907,162)	(67,296,705)
		Total Return of Capital	**(52,032,654)**	**(30,077,545)**	**(27,354,776)**	**(36,583,663)**	**(38,921,771)**	**(39,966,486)**	**(40,375,820)**
		Recovered capital method total asset value	**52,458,524**	**49,683,429**	**121,736,086**	**59,378,238**	**42,205,149**	**42,667,541**	**51,611,581**
	For information	Opening asset value	347,232,453	399,690,977	449,374,406	571,110,492	630,488,730	672,693,879	715,361,420
4.1.j	For information	Rate of return (WACC)	9.53%	9.78%	9.68%	9.68%	9.66%	9.50%	9.41%

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending   **31/12/2021**

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description		2014	2015	2016	2017	2018	2019	2020
	Pipeline assets								
4.1.a		Construction cost							
4.1.b		Negative residual value	197,056	201,448	205,937	210,526	215,218	220,014	224,917
4.1.a		Additions	34,034,277	8,181,932	2,448,501	2,705,265	597,850	2,949,476	4,599,329
4.1.c		Maintenance capitalised							
4.1.d		Disposal (at cost)							
		Leased Asset							
		Cost base	34,231,333	8,383,379	2,654,438	2,915,791	813,068	3,169,490	4,824,246
	Shared assets								
4.1.e		Construction cost or acquisition cost (where allowed) apportioned							
4.1.f		Additions	284,603	428,366	1,829,365	557,518	623,133	770,873	1,389,217
4.1.e		Maintenance capitalised							
4.1.e		Disposal (at cost)							
		Leased Asset							
		Cost base	284,603	428,366	1,829,365	557,518	623,133	770,873	1,389,217
		Total assets	34,515,936	8,811,746	4,483,803	3,473,308	1,436,200	3,940,363	6,213,463
	Return of capital								
4.1.g		Revenue	41,755,440	45,954,642	43,993,718	46,003,957	46,517,672	47,594,638	51,590,134
4.1.g		Operating expenses	(15,727,683)	(16,208,910)	(15,943,751)	(15,645,331)	(24,401,331)	(21,730,256)	(21,608,741)
4.1.h		Net tax liabilities	-	-	-	-	-	-	-
		Leased Asset Interest/Financing Charge							
4.1.i		Return on capital	(69,080,248)	(73,047,865)	(75,381,378)	(73,854,034)	(75,893,777)	(75,615,255)	(75,068,670)
		Total Return of Capital	**(43,052,491)**	**(43,302,134)**	**(47,331,411)**	**(43,495,408)**	**(53,777,436)**	**(49,750,873)**	**(45,087,276)**
		Recovered capital method total asset value	**77,568,427**	**52,113,879**	**51,815,214**	**46,968,716**	**55,213,636**	**53,691,236**	**51,300,739**
	For information	Opening asset value	766,973,000	844,541,427	896,655,306	948,470,520	995,439,236	1,050,652,872	1,104,344,108
4.1.j	For information	Rate of return (WACC)	9.01%	8.65%	8.41%	7.79%	7.62%	7.20%	6.80%

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending   **31/12/2021**

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Pipeline assets											
4.1.a		Construction cost										
4.1.b		Negative residual value	1,307,695									
4.1.a		Additions	3,907,114									
4.1.c		Maintenance capitalised										
4.1.d		Disposal (at cost)										
		Leased Asset										
		Cost base	**5,214,808**	-	-	-	-	-	-	-	-	-
	Shared assets											
4.1.e		Construction cost or acquisition cost (where allowed) apportioned										
4.1.f		Additions	553,756									
4.1.e		Maintenance capitalised										
4.1.e		Disposal (at cost)										
		Leased Asset										
		Cost base	**553,756**	-	-	-	-	-	-	-	-	-
		Total assets	5,768,564	-	-	-	-	-	-	-	-	-
	Return of capital											
4.1.g		Revenue	49,887,816									
4.1.g		Operating expenses	(18,212,278)									
4.1.h		Net tax liabilities	-									
		Leased Asset Interest/Financing Charge										
4.1.i		Return on capital	(76,680,450)									
		Total Return of Capital	**(45,004,912)**	-	-	-	-	-	-	-	-	-
		Recovered capital method total asset value	**50,773,476**	-	-	-	-	-	-	-	-	-
	For information	Opening asset value	1,155,644,848	#######	#######	#######	#######	#######	#######	#######	#######	#######
4.1.j	For information	Rate of return (WACC)	6.64%									

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending   **31/12/2021**

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	Pipeline assets											
4.1.a		Construction cost										
4.1.b		Negative residual value										
4.1.a		Additions										
4.1.c		Maintenance capitalised										
4.1.d		Disposal (at cost)										
		Leased Asset										
		Cost base	-	-	-	-	-	-	-	-	-	-
	Shared assets											
4.1.e		Construction cost or acquisition cost (where allowed) apportioned										
4.1.f		Additions										
4.1.e		Maintenance capitalised										
4.1.e		Disposal (at cost)										
		Leased Asset										
		Cost base	-	-	-	-	-	-	-	-	-	-
		Total assets	-	-	-	-	-	-	-	-	-	-
	Return of capital											
4.1.g		Revenue										
4.1.g		Operating expenses										
4.1.h		Net tax liabilities										
		Leased Asset Interest/Financing Charge										
4.1.i		Return on capital										
		Total Return of Capital	-	-	-	-	-	-	-	-	-	-
		Recovered capital method total asset value	-	-	-	-	-	-	-	-	-	-
	For information	Opening asset value	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######
4.1.j	For information	Rate of return (WACC)										

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Recovered capital method (rule 569(4))

Queensland Gas Pipeline

Year ending   **31/12/2021**

Table 4.1: Recovered capital method - pipeline assets

Basis of Preparation reference	Asset description		Drag and drop columns if required		
			2041	2042	2043
	Pipeline assets				
4.1.a		Construction cost			
4.1.b		Negative residual value			
4.1.a		Additions			
4.1.c		Maintenance capitalised			
4.1.d		Disposal (at cost)			
		Leased Asset			
		Cost base	-	-	-
	Shared assets				
4.1.e		Construction cost or acquisition cost (where allowed) apportioned			
4.1.f		Additions			
4.1.e		Maintenance capitalised			
4.1.e		Disposal (at cost)			
		Leased Asset			
		Cost base	-	-	-
		Total assets	-	-	-
	Return of capital				
4.1.g		Revenue			
4.1.g		Operating expenses			
4.1.h		Net tax liabilities			
		Leased Asset Interest/Financing Charge			
4.1.i		Return on capital			
		Total Return of Capital	-	-	-
		Recovered capital method total asset value	-	-	-
	For information	Opening asset value	######	######	######
4.1.j	For information	Rate of return (WACC)			

Table 4.2: Pipeline details

Construction date	30/06/1989
Negative residual value	11,625,362

Capital expenditure

Queensland Gas Pipeline
Year ending   31/12/2021

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

Basis of Preparation reference	Description of works	Date recognised	Expenditure ($ nominal)
4.1.1.a	FAIRVIEW METER STATION TO RIDGELAND REC	Various dates during calendar year 1998	9,282,517
4.1.1.a	Other	Various dates during calendar year 1998	2,968,234
4.1.1.a	ARCADIA VALLEY MLV-4 TO ROLLESTON METER	Various dates during calendar year 2000	15,087,455
4.1.1.a	Other	Various dates during calendar year 2000	471,348
4.1.1.a	QGP Expansion - ROLLESTON compressor station	Various dates during calendar year 2008	8,243,357
4.1.1.a	QGP Expansion - BANANA Compressor Station Cor	Various dates during calendar year 2008	8,173,048
4.1.1.a	QGP Expansion - PIPELINE LOOPING	Various dates during calendar year 2008	2,316,524
4.1.1.a	Other	Various dates during calendar year 2008	700,309
4.1.1.a	QGP Expansion - PIPELINE LOOPING	Various dates during calendar year 2009	48,842,876
4.1.1.a	QGP Expansion - ROLLESTON compressor station	Various dates during calendar year 2009	22,492,814
4.1.1.a	QGP Expansion - BANANA Compressor Station Cor	Various dates during calendar year 2009	21,392,578
4.1.1.a	Other	Various dates during calendar year 2009	457,304
4.1.1.a	QGP Expansion - PIPELINE LOOPING	Various dates during calendar year 2010	7,200,250
4.1.1.a	Gladstone City Gate Station Freehold	Various dates during calendar year 2010	1,841,675
4.1.1.a	QGP Expansion - ROLLESTON compressor station	Various dates during calendar year 2010	5,295,930
4.1.1.a	QGP Expansion - BANANA Compressor Station Cor	Various dates during calendar year 2010	1,969,815
4.1.1.a	Other	Various dates during calendar year 2010	6,306,478
4.1.1.a	Banana Compressor Engine Exchange	Various dates during calendar year 2013	1,451,152
4.1.1.a	Rolleston Compressor Station Compressor Bundle F	Various dates during calendar year 2013	936,276
4.1.1.a	Upgrade of remote terminal units for pipeline cathodi	Various dates during calendar year 2013	922,856
4.1.1.a	New pipeline lateral expansion for customer	Various dates during calendar year 2013	587,266
4.1.1.a	Other (MOE/SOE sys upgrade, Odourant upgrade, E	Various dates during calendar year 2013	6,982,999
4.1.1.a	New pipeline lateral expansion for customer	Various dates during calendar year 2014	29,963,097
4.1.1.a	Other	Various dates during calendar year 2014	4,071,180
4.1.1.a	New Liquids Filter Coalescer	Various dates during calendar year 2015	2,128,912
4.1.1.a	New pipeline lateral expansion for customer	Various dates during calendar year 2015	1,484,898
4.1.1.a	Property Costs	Various dates during calendar year 2015	1,347,190
4.1.1.a	New pipeline lateral expansion for customer	Various dates during calendar year 2015	1,298,451
4.1.1.a	Other	Various dates during calendar year 2015	1,922,481

Weighted average prices

Queensland Gas Pipeline
Year ending   **31/12/2021**

Table 5.1: Weighted average prices

Basis of preparation reference	Service description	Total revenue $'000
	Transportation services	
5.1.a, 5.1.b	Firm forward haul transportation services	46,590
5.1.a, 5.1.b	Interruptible or as available transportation services	-
5.1.a, 5.1.b	Backhaul services	72
5.1.a, 5.1.b	**Stand alone compression services**	
5.1.a, 5.1.b	Firm stand alone compression services	-
5.1.a, 5.1.b	**Storage services**	
5.1.a, 5.1.b	Firm park/park and loan services	-
5.1.a, 5.1.b	**Total exempt services**	529
	Total	**47,191**

Weighted average prices

Queensland Gas Pipeline
Year ending   31/12/2021

Table 5.1: Weighted average prices

			Other S		
			Capacity based charges		
Basis of preparation reference	**Service description**	**Has there been any use of estimates to allocate revenue to each transportation service?**	**Revenue $'000**	**MDQ Total TJ**	**WAP ($/GJ)**
	Transportation services				
5.1.a, 5.1.b	Firm forward haul transportation services				
5.1.a, 5.1.b	Interruptible or as available transportation services				
5.1.a, 5.1.b	Backhaul services				
5.1.a, 5.1.b	**Stand alone compression services**				
5.1.a, 5.1.b	Firm stand alone compression services				-
5.1.a, 5.1.b	**Storage services**				
5.1.a, 5.1.b	Firm park/park and loan services		-	-	-
5.1.a, 5.1.b	**Total exempt services**		529		
	Total		**529**	**-**	

Weighted average prices

Queensland Gas Pipeline
Year ending   **31/12/2021**

Table 5.1: Weighted average prices

Basis of preparation reference	Service description	Volumetric based charges			Total Postage Stamp Revenue	Capacity based		
		Revenue $'000	Total TJ	WAP ($/GJ)	$'000	Revenue $'000	MDQ Total TJ	WAP ($/GJ)
	Transportation services							
5.1.a, 5.1.b	Firm forward haul transportation services				46,590	46,590	52,601	0.89
5.1.a, 5.1.b	Interruptible or as available transportation services				-	-	-	-
5.1.a, 5.1.b	Backhaul services				72	-	-	-
5.1.a, 5.1.b	**Stand alone compression services**							
5.1.a, 5.1.b	Firm stand alone compression services	-	-	-				
5.1.a, 5.1.b	**Storage services**							
5.1.a, 5.1.b	Firm park/park and loan services	-	-	-				
5.1.a, 5.1.b	**Total exempt services**	-						
	Total	-	-		46,661	46,590	52,601	

Weighted average prices

Queensland Gas Pipeline
Year ending   **31/12/2021**

Table 5.1: Weighted average prices

Basis of preparation reference	Service description	Volumetric based			Total Zonal Revenue $'000	Capacity based		
		Revenue $'000	Total TJ	WAP ($/GJ)	$'000	Revenue $'000	MDQ Total TJ	WAP ($/GJ)
	Transportation services							
5.1.a, 5.1.b	Firm forward haul transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Interruptible or as available transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Backhaul services	72	117	0.62	-	-	-	-
5.1.a, 5.1.b	**Stand alone compression services**							
5.1.a, 5.1.b	Firm stand alone compression services							
5.1.a, 5.1.b	**Storage services**							
5.1.a, 5.1.b	Firm park/park and loan services							
5.1.a, 5.1.b	**Total exempt services**							
	Total	72	117		-	-	-	

Weighted average prices

Queensland Gas Pipeline
Year ending   **31/12/2021**

Table 5.1: Weighted average prices

		Zonal Based Transportation Service						
		e 1			**Zone 2**			
		Volumetric based			Capacity based			V
Basis of preparation reference	**Service description**	**Revenue $'000**	**Total TJ**	**WAP ($/GJ)**	**Revenue $'000**	**MDQ Total TJ**	**WAP ($/GJ)**	**Revenue $'000**
	Transportation services							
5.1.a, 5.1.b	Firm forward haul transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Interruptible or as available transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Backhaul services	-	-	-	-	-	-	-
5.1.a, 5.1.b	**Stand alone compression services**							
5.1.a, 5.1.b	Firm stand alone compression services							
5.1.a, 5.1.b	**Storage services**							
5.1.a, 5.1.b	Firm park/park and loan services							
5.1.a, 5.1.b	**Total exempt services**							
	Total	-	-		-	-		-

Weighted average prices

Table 5.1: Weighted average prices

Basis of preparation reference	Service description	Volumetric based			Capacity based (Zone 3)			Volumetric based	
		Total TJ	WAP ($/GJ)	Revenue $'000	MDQ Total TJ	WAP ($/GJ)	Revenue $'000	Total TJ	
	Transportation services								
5.1.a, 5.1.b	Firm forward haul transportation services	-	-	-	-	-	-	-	
5.1.a, 5.1.b	Interruptible or as available transportation services	-	-	-	-	-	-	-	
5.1.a, 5.1.b	Backhaul services	-	-	-	-	-	-	-	
5.1.a, 5.1.b	**Stand alone compression services**								
5.1.a, 5.1.b	Firm stand alone compression services								
5.1.a, 5.1.b	**Storage services**								
5.1.a, 5.1.b	Firm park/park and loan services								
5.1.a, 5.1.b	**Total exempt services**								
	Total	-	-	-	-	-	-	-	

Weighted average prices

Queensland Gas Pipeline
Year ending 31/12/2021

Table 5.1: Weighted average prices

			Total Distance Based Revenue	Major Delivery Point 1					
				Capacity based			Volumetric base		
Basis of preparation reference	**Service description**	**WAP ($/GJ)**	**$'000**	**Revenue $'000**	**MDQ Total TJ**	**WAP ($/GJ)**	**Revenue $'000**	**Total TJ**
	Transportation services							
5.1.a, 5.1.b	Firm forward haul transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Interruptible or as available transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Backhaul services	-	-	-	-	-	-	-
5.1.a, 5.1.b	**Stand alone compression services**							
5.1.a, 5.1.b	Firm stand alone compression services							
5.1.a, 5.1.b	**Storage services**							
5.1.a, 5.1.b	Firm park/park and loan services							
5.1.a, 5.1.b	**Total exempt services**							
	Total		-	-	-		-	-

Weighted average prices

Table 5.1: Weighted average prices

			Distance Based Transportation Services						
			Major Delivery Point 2						
		...ed		Capacity based			Volumetric based		
Basis of preparation reference	**Service description**	**WAP ($/GJ)**	**Revenue $'000**	**MDQ Total TJ**	**WAP ($/GJ)**	**Revenue $'000**	**Total TJ**	**WAP ($/GJ)**
	Transportation services							
5.1.a, 5.1.b	Firm forward haul transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Interruptible or as available transportation services	-	-	-	-	-	-	-
5.1.a, 5.1.b	Backhaul services	-	-	-	-	-	-	-
5.1.a, 5.1.b	**Stand alone compression services**							
5.1.a, 5.1.b	Firm stand alone compression services							
5.1.a, 5.1.b	**Storage services**							
5.1.a, 5.1.b	Firm park/park and loan services							
5.1.a, 5.1.b	**Total exempt services**							
	Total			-	-		-	-

Weighted average prices

Table 5.1: Weighted average prices

		(to major delivery points)						
		Major Delivery Point 3						
		Capacity based			Volumetric based			Capacity base
Basis of preparation reference	**Service description**	**Revenue $'000**	**MDQ Total TJ**	**WAP ($/GJ)**	**Revenue $'000**	**Total TJ**	**WAP ($/GJ)**	**Revenue $'000**
	Transportation services							
5.1.a, 5.1.b	Firm forward haul transportation services		-	-	-	-	-	-
5.1.a, 5.1.b	Interruptible or as available transportation services		-	-	-	-	-	-
5.1.a, 5.1.b	Backhaul services	-	-	-	-	-	-	-
5.1.a, 5.1.b	**Stand alone compression services**							
5.1.a, 5.1.b	Firm stand alone compression services							
5.1.a, 5.1.b	**Storage services**							
5.1.a, 5.1.b	Firm park/park and loan services							
5.1.a, 5.1.b	**Total exempt services**							
	Total	-	-		-	-		-

Weighted average prices

Queensland Gas Pipeline
Year ending   31/12/2021

Table 5.1: Weighted average prices

Basis of preparation reference	Service description	Other Delivery Points				
		d		Volumetric based		
		MDQ Total TJ	WAP ($/GJ)	Revenue $'000	Total TJ	WAP ($/GJ)
	Transportation services					
5.1.a, 5.1.b	Firm forward haul transportation services	-	-	-	-	-
5.1.a, 5.1.b	Interruptible or as available transportation services	-	-	-	-	-
5.1.a, 5.1.b	Backhaul services	-	-	-	-	-
5.1.a, 5.1.b	**Stand alone compression services**					
5.1.a, 5.1.b	Firm stand alone compression services					
5.1.a, 5.1.b	**Storage services**					
5.1.a, 5.1.b	Firm park/park and loan services					
5.1.a, 5.1.b	**Total exempt services**					
	Total	-		-	-	

Weighted average prices

Queensland Gas Pipeline
Year ending   31/12/2021

Table 5.1: Weighted average prices

Basis of preparation reference	Service description
	Transportation services
5.1.a, 5.1.b	Firm forward haul transportation services
5.1.a, 5.1.b	Interruptible or as available transportation services
5.1.a, 5.1.b	Backhaul services
5.1.a, 5.1.b	Stand alone compression services
5.1.a, 5.1.b	Firm stand alone compression services
5.1.a, 5.1.b	Storage services
5.1.a, 5.1.b	Firm park/park and loan services
5.1.a, 5.1.b	Total exempt services
	Total

Weighted average prices

Table 5.1: Weighted average prices

Basis of preparation reference	Service description
	Transportation services
5.1.a, 5.1.b	Firm forward haul transportation services
5.1.a, 5.1.b	Interruptible or as available transportation services
5.1.a, 5.1.b	Backhaul services
5.1.a, 5.1.b	**Stand alone compression services**
5.1.a, 5.1.b	Firm stand alone compression services
5.1.a, 5.1.b	**Storage services**
5.1.a, 5.1.b	Firm park/park and loan services
5.1.a, 5.1.b	**Total exempt services**
	Total

Services exemption granted from AER for Weighted Average Price disclosure

Queensland Gas Pipeline
Year ending   **31/12/2021**

Table 5.1.1: AER exemptions

Service category
Firm Southern Haul

Queensland Gas Pipeline

Basis of Preparation

Public

Year ended 31 December 2021

OVERVIEW

The Australian Energy Regulator (AER) issued a non-scheme pipeline financial reporting guideline (the Guideline) in December 2017 issued under Part 23 of the National Gas Rules. This guideline requires service providers of such pipelines to publish certain financial information about those pipelines.

This guideline applies to the Queensland Gas Pipeline (QGP) covering the reporting period 1 January to 31 December 2021.

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

- All Jemena Group[1] legal entities that have a controlling interest in QGP are 'service providers' and so all costs incurred, revenue earned or assets owned by those entities that relate to the pipeline should be captured and consolidated in the financial reporting templates

- Similarly, because SGSPAA is the parent company of the Jemena Group acquisition costs and associated dates (mainly in the Recovered Capital Method (RCM) template) are determined by reference to that entity for the purposes of complying with the guideline. This means for instance that the acquisition of the QGP occurred on 1 Aug 2007 when the Jemena Group acquired the pipeline from the Alinta Group.

- Actual information includes information calculated directly from information contained in the Jemena Group's systems and other records without material judgement required. Estimated information is anything other than actual information.

- To meet the requirements of the Guideline when compiling the RCM valuation (section 4.1) QGP undertook all reasonable steps to obtain historical information where this was not already available to Jemena Group. These steps are further explained in the RCM section (section 13) of this basis of preparation.

- All 'Previous reporting period' amounts have been sourced from the prior year published Gas Market Reform (**GMR**) templates (refer to Tables: 2.1, 2.1.1, 3.1, 3.3).

- Jemena Group costs are direct or indirect in nature. Direct costs, such as maintenance, program management, engineering support are directly allocated to specific assets within the Jemena Group. Jemena Group shared or indirect costs such as IT, finance, legal, people, safety and environment are allocated to specific assets within the Group in accordance with the principles of the Jemena Group Cost Allocation Methodology procedure. These principles are further explained in the Revenue and Expenses section (section 3) 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.

As per the Jemena Group access user guide, Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd are the service providers for QGP, being the licensed operators. The other service providers in the Jemena Group have appointed Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd as the responsible service provider for the purposes of publishing the financial information.

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[1] The Jemena Group includes SGSP (Australia) Assets Pty Ltd (**SGSPAA**) and its subsidiaries excluding Zinfra Pty Ltd and its subsidiaries. Jemena Group costs may include charges from Zinfra Pty Ltd and its subsidiaries where they relate to the pipeline.

1.   PIPELINE INFORMATION

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 1.1: Pipeline Details	No Basis of Preparation (**BoP**) Reference cells in the template	Pipeline details	Actual	**Pipeline Location and Length** The data is sourced either from the original as-built survey data, or where that is not available from the results of intelligent pigging data. **Number of Customers** PypIT System (defined below) per description below for the Table 5.1 Weighted Average Prices **Service Type** As per pipeline type on AEMC's gas scheme register https://www.aemc.gov.au/energy-system/gas/gas-scheme-register and meets the definition of a transmission pipeline under the National Gas Law.	**Pipeline Location and Length** The pipeline lengths are calculated in the Geographic Information System (**GIS**) by summing the geometric lengths of the pipeline and all its laterals. **Number of Customers** Determined from a revenue report run in PypIT outlining the breakdown of revenue by service type and shipper. The report was run for the relevant period to determine the number of shippers whom we have earnt revenue from.	N/A
Table 1.2: Pipeline Services Provided	No BoP Reference cells in the template	Pipeline services provided	Actual	PypIT (Is the billing/invoicing system used by QGP which provides the detailed breakdown of volumes and revenue data by service type and shipper as well as the corresponding contract information).	Based on current service offerings as described below. **Service description** A revenue transaction report that discloses revenue by service types, was downloaded from the PypIT revenue billing system for the reporting period. A Subject Matter Expert mapped the revenue service types against the relevant 'Service description' categories based on the nature of the underlying revenue transactions.	N/A

1 — PIPELINE INFORMATION

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					<u>Provided to non-related parties</u>	
					All services were provided to non-related parties in accordance with PypIT customer listing and relevant supporting contracts.	
					<u>Provided to related parties</u>	
					No services were provided to related parties.	

2. FINANCIAL PERFORMANCE MEASURES

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 1.1.1: Return on assets	No BoP Reference cells in the template	Earnings before interest and tax, Total assets, Return on assets	Actual	N/A – Populated based on formulas referencing supporting schedules.	All categories in this template are based on the Australian Energy Regulator's (**AER**) designed formulae that references the supporting tables within the workbook. Earnings before interest and tax References earnings before interest and tax (EBIT) in 'Table 2.1: Statement of pipeline revenues and expenses'. Total assets References total assets in 'Table 3.1: Pipeline assets' Return on assets Calculated as: Earnings before interest and tax divided by Total Assets.	N/A

3.   REVENUES AND EXPENSES

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 2.1 Statement of pipeline revenues and expenses	2.1.a	Description	Actual	Populated based on formulas referencing supporting schedules.	<u>Total service revenue</u> References 'Total service revenue' in 'Table 2.1.1 Revenue by service'. <u>Customer Contributions Revenue</u> References 'Total' in 'Table 2.2.1: Customer contributions received'. <u>Government Contributions Revenue</u> References 'Total' in 'Table 2.2.2: Government contributions received'.	N/A
				SAP	<u>Profit from sale of fixed assets</u> QGP captures such amounts in its accounting systems and was sourced from the QGP's Trial Balance (**TB**).	
				SAP	<u>Other direct revenue</u> Includes: • Items that are not pipeline service related. QGP collects such items using costs elements and projects. <u>Other revenue</u>	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					References the 'Total' in 'Table 2.3.1: Indirect revenue allocation'.	
Table 2.1 Statement of pipeline revenues and expenses	2.1.b	Direct Costs, Shared Costs, Earnings before interest and tax (EBIT)	Actual	ERP System (**SAP**)	Most of the entities within SGSPAA and its controlled entities use an Enterprise Resource Planning (**ERP**) system known as **SAP** to collect costs. The Queensland Gas Pipeline (**QGP**) as part of the Jemena Group, uses 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. A reporting tool (**BI**) is used to download the operating expenditure costs from SAP. The data is aggregated by WBS element and general ledger account code (**cost element**) and mapped into the relevant cost category of the template. _Related party and non-related party_ The majority of costs that QGP incurs are sourced from a related entity, Jemena Asset Management Pty Ltd (**JAM**), which is part of the Jemena Group. JAM records costs that are attributable to QGP and uses SAP functionality to transfer such costs at zero margin to QGP. These costs are reported in the 'related party transactions' column. Where project costs are collected directly to the pipeline and not	N/A

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					through a related party entity they were reported in the 'amounts excluding related party transactions' column. Direct costs and Shared costs Direct and shared cost classification is based upon the activity/service category codes included as part of the WBS element structure for each project. An activity/service mapping table is used to map activities into relevant cost categories: • Direct Costs: Asset Management (Asset: Strategy, Planning, Investment, Information and Management system activities), Service Delivery (Construction & Supply Chain, Maintenance & Faults, Network Control & Emergency Maintenance, Metering, Customer Service), Customer and Markets (Commercial Management). • Shared Costs: Enterprise Support Functions (executive management, finance, legal, human resources, information technology (**IT**) etc.). ***Note***: Shared costs flow into Table 2.1 from Table 2.4 1 Shared cost allocation. Corporate property costs have similarly been allocated between direct and shared costs based on property usage by function. Mapping into the template categories The cost element description field from costs within QGP was used to map into the template's categories (e.g.	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					'wages', 'other direct costs', 'employee costs', 'indirect operating expenses', etc.). QGP has interpreted direct wages as the payroll costs assigned to staff who directly work on the pipeline. QGP's shared employee costs are the allocated payroll costs of administration type staff such as finance, legal, people, safety and environment. Where project descriptions and activity/service category codes support classification within a more specific category then the cost element based mapping was overridden[2]. 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 • Licence and regulatory costs • Leasing and rental costs Note: Insurance costs are included in the enterprise supports costs which are shared across the Jemena Group, therefore a $nil value has been reported for Direct Insurance costs. Earnings before Interest and tax (EBIT) EBIT is calculated as: Total revenue less Total costs	

[2]   Labour cost element mapping was not overridden based on project descriptions and activity/service category code mapping.

3 — REVENUES AND EXPENSES

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 2.1 Statement of pipeline revenues and expenses	2.1.c	Depreciation, Shared Asset Depreciation	Actual	SAP – Fixed Asset Movement Report (**FAMR**) and Equipment Register The SGSPAA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	<u>SAP FAMR</u> A detailed FAMR was downloaded from SAP. <u>SGSPAA Group Consolidation supporting schedule</u> Depreciation expense was extracted from the SGSPAA Group Consolidation supporting schedule for pipeline assets not included in the SAP FAMR. Total depreciation was classified between direct depreciation and shared asset depreciation based on the mapping of the individual assets in the FAMR applied in Table 3.3 Depreciation. QGP used the FAMR Asset descriptions, category and equipment register descriptions to map individual assets into specific categories. 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. <u>Reconciling difference between Table 2.1 Depreciation with Tables 3.3.1 & 3.3.2 Current year depreciation</u>	N/A

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					The AER template file includes a Summary worksheet with a reconciliation between Table 2.1 Depreciation with Tables 3.3.1 & 3.3.2 Current year depreciation. Where there is a reconciling difference between the two tables it is attributable to disposals of assets in the current year resulting in a reversal of accumulated depreciation in the SAP ledger (Balance sheet entry only) reported only in Tables 3.3.1 & 3.3.2 Current year depreciation. Table 2.1 is the relevant source to refer to for depreciation expense impacting the Profit and loss template in the current year.	

4.   REVENUE BY SERVICE

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 2.1.1: Revenue by service	2.1.1.a	Description, Reporting period - Amount excluding related party transactions, Reporting period - Related party transactions	Actual	PypIT and SAP	Description The 'description' categories are pre-populated by the AER for this template. Reporting period -Amount excluding related party transactions Revenue by service is sourced from the Weighted Average Price (**WAP**) template where a revenue transaction report that discloses revenue by service types, was downloaded from the PypIT system for the reporting period. A Subject Matter Expert mapped the revenue service types against the relevant 'Service description' categories based on knowledge and the nature of the underlying revenue transactions. In accordance with some of QGP's customer Gas Transmission Agreements (**GTA**), QGP provides non related party volume related rebates to these customers. The rebate has been netted off against Firm forward haul transportation services. Reporting period -Related party transactions QGP did not have any revenue from its related parties. Other pipeline services (if relevant)	N/A

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					Includes: • Items that are miscellaneous in nature. QGP collects such items using cost elements and projects • Exempt WAP services	

5.   REVENUE – CONTRIBUTIONS

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 2.2.1: Customer contributions received	No BoP Reference cells in the template	Amounts excluding related party transactions, Related party transactions	Actual	SAP	QGP received a contribution from a customer during the period 2009-2012, for the construction of a meter station. This amount is being amortised over the useful life of the asset. The amount disclosed in template represents the amortised value for this reporting period. QGP did not have any related party customer contributions.	N/A
Table 2.2.2: Government contributions received	No BoP Reference cells in the template	N/A	Actual	SAP	No government contributions revenue was received during the reporting period as such amounts would have been recorded against an appropriate cost element in QGP's TB.	N/A

6. INDIRECT REVENUE

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 2.3.1: Indirect revenue allocation	N/A	N/A	Actual	SAP	No Indirect revenue was allocated to QGP during the reporting period as such amounts would have been recorded against an appropriate cost element in QGP's TB.	N/A

7.   SHARED COSTS

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 2.4.1 Shared Cost Allocation	2.4.1.a	Description categories, Shared costs excluding related parties, Shared costs paid to related parties, (Gross shared costs), % allocated to pipeline, Total allocated to pipeline excluding related parties.	Actual	SAP	Shared Costs relate to enterprise support functions such as executive management, finance, legal, information technology (IT), human resources etc. Description categories The cost element description field from costs within QGP was used to map into the template's categories (e.g. 'wages', 'other direct costs', 'employee costs', 'indirect operating expenses', etc.). Project descriptions were also used as a basis to categorise costs into description categories (e.g. 'Information technology and communication costs'). Where project descriptions and activity/service category codes supported classification within a more specific category then the cost element based mapping was overridden[3]. The following description categories were populated based on project description/activity code mapping: • Information technology and communication costs	The causal drivers that allocate shared costs to QGP are a reasonable method for such allocations

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[3]   Labour cost element mapping was not overridden based on project descriptions and activity/service category code mapping.

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					• Rental and leasing costs Related party and non-related party: • Shared costs excluding related parties Where project costs are collected directly to the pipeline and not through a related party entity they were reported in the 'Shared costs excluding related parties' column. 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 QGP. • Shared costs paid to related parties, The gross shared costs paid to related parties e.g. Finance, Legal, Managing Director are the total shared costs incurred across the Jemena Group before allocating to specific assets (e.g. pipelines, distribution networks etc.). Gross shared costs are collected in SAP at the JAM entity. It is from this entity that the allocation of shared costs occur. These allocated costs are transferred to QGP 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	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					• project descriptions and activity/service category codes __% allocated to pipeline and total allocated to pipeline excluding related parties,__ As described above, the majority of costs that QGP incurs are sourced from a related entity JAM which records costs that are attributable to QGP and uses SAP functionality that transfers such costs at zero margin to QGP. These costs are reported in the 'Shared costs paid to related parties' column. Shared costs are allocated to the pipeline in the following ways: • Directly to the asset 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. • Based on allocation methodologies such as historic time-writing data. • Causal drivers e.g. number of laptops users for IT Telecommunication costs. The costs allocated to each shared cost category (e.g. 'Employee costs', 'information technology and communication costs' etc.) is an aggregate of one or more projects with varying cost allocation percentages from the different shared functions. The percentage allocated to a pipeline is calculated as:	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					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.	

8.   STATEMENT OF PIPELINE ASSETS

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 3.1: Pipeline assets	3.1.a	Initial construction cost, Initial purchase cost, Additions, Additions and improvements capitalised, Capitalised maintenance, Asset disposal (at cost), Depreciation.	Actual	Table 3.3.1: Fixed assets at cost - pipeline assets Table 3.3.2: Shared assets at cost (less straight line depreciation)	All items were populated based on Australian Energy Regulator (**AER**) designed formulas which referenced the supporting 'Table 3.3.1: Fixed assets at cost - pipeline assets' and 'Table 3.3.2: Shared assets at cost' Non-core pipeline assets No allocation of non-core pipeline assets has been included in Table 3.1 where there is a remote nexus with the pipeline activities such as treasury hedging financial instruments, defined benefit assets, minor assets sitting in JAM (receivables etc.), and other corporate assets etc. Restatement of Previous reporting period 'Other depreciable pipeline assets – Additions' Previous reporting period 'Other depreciable pipeline assets – Additions' has reduced by $(15,512,574) as a result of an amount being incorrectly reported within the template.	N/A
Table 3.1: Pipeline assets	3.1.a.1	Other non-depreciable pipeline assets	Actual	The SGSPAA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	Other non-depreciable pipeline assets - SGSPAA Group Consolidation support schedule The SGSPAA Group consolidates its resulting Goodwill from acquisitions at a SGSPAA Group entity level,	As there is no specific Goodwill category, QGP has included Goodwill in the 'Other non-depreciable

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
				SAP	meaning that it does not pass-on any Goodwill into its subsidiary entities. These SGSPAA Group adjustments are maintained in an excel spreadsheet outside the SGSPAA Group's SAP system and allocated to the SGSPAA Group's cash generating units (e.g. pipelines) for the purpose of impairment testing, in accordance with Australian Accounting Standards. The Guideline does not restrict consideration to only those assets identifiable at the direct pipeline owning entity level and accordingly QGP allocated Goodwill to the pipeline in its statement of assets. QGP considered this a reasonable allocation and disclosure. Other non-depreciable pipeline assets – SAP TB Amounts have been extracted from QGP'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 QGP, known as trading partner. Related party loan accounts with each trading partner entity were aggregated, where the receivable amount was greater 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. QGP has a legally-enforceable right to set off the recognised amounts and QGP intends	pipeline assets' in the template.

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					either to settle on a net basis or realise the asset and settle the liability simultaneously. In accordance with accounting standards QGP has netted off deferred tax assets and liabilities in its Balance Sheet.	
Table 3.1: Pipeline assets	3.1.b	Inventories, Deferred tax assets, Other assets	Actual	SAP	QGP'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' (refer to BoP reference 3.1.a above for further details).	N/A

9.   ASSET USEFUL LIFE

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 3.1.1: Asset useful life	3.1.1.a	Description (list each individual balance sheet item), Acquisition date, Useful life years, Reason for choosing this useful life	Actual	Table 3.3.1: Fixed assets at cost - pipeline assets Table 3.3.2: Shared assets at cost (less straight line depreciation)	<u>Description (list each individual balance sheet item)</u> The 'Description' column was referenced from the 'Description' column as listed in: • Table 3.3.1: Fixed assets at cost - pipeline assets • Table 3.3.2: Shared assets at cost (less straight line depreciation) 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 QGP does not depreciate land but does for easements. In accordance with the Guideline the impact of easement depreciation has been removed (Non-scheme financial reporting guideline (**Guideline**) section 3.2.1). Therefore land and easements depreciation are excluded from Table 3.1.1 <u>Acquisition date</u> The assets in the FAMR sourced from SAP, have been aggregated into similar 'Description' items in Table 3.1.1. As there were numerous individual assets in the FAMR therefore the acquisition date is reported as 'various acquisition dates'. <u>Useful life years</u> A FAMR lists individual assets that contain the following information:	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					• Asset description (text field) • Depreciation start date (date field) • Estimated useful life (years) • Original Cost ($) • Acquisition ($) (includes Transfers) • Disposals/retirements ($) • Accumulated depreciation ($) • Depreciation for the year ($) • Depreciation retirements ($) • Closing book value ($) The useful life for each category was calculated based on the calculated weighted average cost useful life formula below with the information sourced from FAMR. Weighted average cost useful life equals: $$\sum \frac{(Opening\ Cost + Aquisitions + Retirements)}{Total\ 'Description'\ Cost} * Asset\ useful\ life$$ Note that the Total Description Costs is the sum of Opening cost + Additions– Retirements. QGP's land and easements have a finite useful life and therefore the useful life is reported in the template. <u>Reason for choosing this useful life</u> The economic useful life of individual assets is defined in terms of the Australian Accounting Standards and the asset's expected use to QGP which may not fall within the Guideline's Appendix A – Pipeline asset lives. 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.	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					Additionally, economic useful life shall be considered in relation to the life assigned to similar assets within the asset category.	

10.   ASSET IMPAIRMENT

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 3.2.1: Assets impaired	BoP reference field not included in table	Asset description, Impairment amount $ nominal, Impairment date, Basis for impairment	Actual	SAP	Management tested the QGP Cash Generating Unit, including allocated goodwill for impairment as part of its usual annual impairment testing for December 2021 financial reporting purposes in accordance with Australian Accounting Standard requirements, with no impairment recognised. In assessing the position as at December 2021, management considered both external and internal indicators of impairment such as; changes in the regulatory environment, current and future performance, asset characteristics, physical damage, business environment and market conditions. No impairment was noted as part of testing indefinite life intangible assets therefore no impairment has been recognised for the year ended 31 December 2021.	N/A
Table 3.2.2: Asset impairment reversals	BoP reference field not included in table	Asset description, Prior Impairment amount, Impairment date, Basis for impairment, Reversal amount $nominal, Reversal date, Basis for Reversal	Actual	SAP	No assets impairment reversals were recorded during the reporting period.	N/A

11.   DEPRECIATION

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 3.3.1: Pipeline assets at cost - pipeline assets & Table 3.3.2: Shared assets at cost (less straight line depreciation)	3.3.1.a	Description, Category, Acquisition date, Useful life, Estimated residual value, Construction or acquisition cost, Additions, Capitalised Maintenance Disposals, Cost Base, Prior years' accumulated depreciation Current year depreciation, Written Down Value	Actual	SAP FAMR and equipment listing report The SGSPAA Group Consolidation support schedule (Business Combination Adjustments and Goodwill)	The FAMR lists individual assets that was downloaded from SAP. Category Each asset was mapped into the relevant categories provided in the AER template drop down list (e.g. Pipeline, Compressor, City Gates etc.) based on: • analysis of the FAMR Asset description & Asset class; • input from engineers and subject matter experts; and • where relevant, analysis of a separate corresponding equipment listing report which contains more detailed information than the FAMR. QGP used subject matter experts to map its asset categories to that in the template as QGP's SAP system was designed prior to the establishment of the GMR reporting regime. Description The asset description was mapped to the categories in the template except for the following items which were not included in the AER's drop down list of categories: AUC Network, AUC-Intangibles, AUC Non-Network. AUC are assets that are still in the process of being constructed and not yet installed ready for use. Therefore depreciation expense was not yet applied.	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	**Item**	**Actual / Estimate**			
					Acquisition date Refer to 'Acquisition date' explanation for Table 3.1.1 Asset useful life. **Useful life** Refer to 'Useful life' explanation for Table 3.1.1 Asset useful life. **Estimated residual value** QGP 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)). **Construction or acquisition cost** The 'Construction or acquisition cost' column value ($) was populated for each 'Description' item based on the FAMR data which was aggregated because there were too many separate assets in the FAMR to report them separately in Table 3.3.1. The 'Original cost' of assets in the FAMR were aggregated based on asset 'Description' where the 'Depreciation start date' value was prior to the SGSPAA acquisition of the pipeline in Aug 2007.	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					Prior year disposal removed from the 'Construction or acquisition cost' were added back to report a life to date 'Construction or acquisition cost' (refer to disposal explanation below for methodology explanation) prior to SGSPAA's acquisition of the pipeline during Aug 2007. Additions The 'Additions' column was populated for each description item based on the FAMR data which was aggregated because there were too many separate assets in the FAMR to report them separately in Table 3.3.1. The 'Original cost' and the 'Acquisition' value of assets in the FAMR were aggregated based on asset 'Description' where the 'Depreciation start date' value was after SGSPAA's acquisition of the pipeline during Aug 2007. The 'Additions' was grossed up to include the original cost of disposals after SGSPAA's acquisition of the pipeline in 2007. Prior year disposals removed from the original cost were added back to report a life to date original cost after SGSPAA's acquisition of the pipeline during Aug 2007. Capitalised Maintenance QGP 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).	

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					Disposals A list summarising the historical cost of assets disposed of since pipeline construction was compiled based on disposals data from the following sources: • Internal FAMR (2006-2021) The historic cost of disposal over the life of the pipeline was aggregated based on the 'Description' field and populated within the 'disposals' column. Prior years' accumulated depreciation Sourced based on the aggregation of prior year GMR template's: • Prior years' accumulated depreciation • Current year accumulated depreciation Current year depreciation The 'Current year depreciation' values in the FAMR were aggregated for each 'description' row and then populated in this column of the table. Fair value uplift depreciation has been applied to the applicable categories in the template. Reversal of accumulated depreciation in the FAMR (Balance sheet entry only) upon disposal of an asset was recorded in this column of the table. Written down value	As QGP was unable to source historical disposal information and that QGP has a low level of disposals post the SGSPAA acquisition, QGP assumed that the disposals from the pre Alinta acquisition period is zero.

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					The 'Written down value' of all assets in table 3.3.1 was aggregated. A reconciling difference between Table 3.3.1 Land and easements depreciation ('Prior year depreciation' & 'Current year deprecation') and the underlying accounting records was noted relating to depreciation of the 'easements'. 'Land and easements are required to be recorded at historical cost and not depreciated' (Guideline Land and easements Section 3.2.1). However, QGP follows its SGSPAA Group's accounting policy, which is to depreciate easements. <u>Other depreciable pipeline assets - SGSPAA Group Consolidation support schedule</u> Contract intangible and Capitalised interest sourced from the SGSPAA Group Consolidation support schedule have been reported within the 'Other depreciable pipeline assets' category.	

12.   SHARED SUPPORTING ASSETS

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 3.4.1: Shared supporting asset allocation	3.4.1.a	Description (list each individual shared asset category greater than 5%), Category of shared assets, Total amount, % allocated to pipeline, Total allocated to pipeline	Actual	SAP – FAMR & project cost download for Shared Assets Capex at QGP's level.	<u>Description (list each individual shared asset category greater than 5%)</u> Shared asset 'Asset class description' in the FAMR were reported in Table 3.4.1. <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 3.3.2. <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 QGP's WBS element before allocating the shared asset costs to the relevant pipelines/distribution network assets. QGP aggregates the shared asset additions into the relevant asset classes as per the template. <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	For each shared 'Asset class description' the sum of 'historical cost of asset additions' during the reporting period > 5% * historical costs of Total Shared Cost Additions during the reporting period.

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					• 'Total Amount' is defined above. Total allocated to pipeline Shared Asset additions during the reporting period were aggregated by the 'Asset class description' field in the FAMR.	

13.   RECOVERED CAPITAL METHOD - PIPELINE ASSETS

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets	1989 –2021	Construction cost, Additions BoP Reference: 4.1.a	Actual	SAP FAMR: • Jemena Queensland Gas Pipeline (1) Pty Ltd (**QGP 1**) and • Jemena Queensland Gas Pipeline (2) Pty Ltd (**QGP 2**)	The SAP FAMR was exported into an excel file. The assets were aggregated by year, based on the year within the field 'Capitalisation date'. _Mid-point Net Capital Expenditure Gross Up_ Capex additions and disposals for each year are escalated to a mid-year point to account for the return on capital for capital expenditure incurred during the year. $$Mid\ Point\ Gross\ Capex$$ $$= Capex$$ $$\times (1$$ $$+ Rate\ of\ Return\ percentage)^{0.5}$$ The Rate of Return percentage input calculation methodology is further explained below (refer to 'Table 4.1:	No material replacements or disposals over the life of the pipeline.

[4] For all Estimates, refer to the following table explaining why estimates were required, steps taken to locate actual information, the basis for the estimate and why the estimate represents the best estimate possible and has been arrived at on a reasonable basis.

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
						Recovered capital method - pipeline assets - Rate of Return' item).	
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets	1989 – 2021	Negative residual value BoP Reference: 4.1.b	Estimate	Expert Engineering Report Inflation rate: SGSPAA internal 2021 budgeted CPI Discount rate: 5 year average rate for 15 year Australian Government Securities (**AGS**) bonds	Negative residual value is calculated as: $$PV(Decommissioning)_t = C_{T_E} \times \frac{(1+i)^{T_D - T_E}}{(1+r)^{T_D - t}}$$ 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. The cost of debt	Negative residual value is interpreted as the present value of the forecast decommissioning cost that the service provider will pay when the pipeline is removed from service in the future. The expert engineering report is an accurate 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.

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
						incremental was then reported for each subsequent year until 2020. In 2021 the increment is calculated as the difference in total negative residual value between 2020 and 2021.	
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets	1989 - 2004	Maintenance capitalised BoP Reference: 4.1.c	Estimate	Pipeline Asset – Maintenance capitalised (2005 – 2021)	Data for maintenance capitalised was not available prior to the service provider's ownership of the pipeline. Estimate pre-acquisition maintenance capitalised based on post-acquisition actual maintenance capitalised data, therefore estimated no capitalised maintenance.	Post-acquisition actual maintenance capitalised data is an appropriate basis for estimating pre-acquisition maintenance. No transactions recorded pre-acquisition for maintenance capitalised.
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets	2005 -2021	Maintenance capitalised BoP Reference: 4.1.c	Actual	SAP Trial Balance and FAMR for: • QGP 1 and • QGP 2	No data for maintenance capitalised was noted in the review of the SAP FAMR and the relevant SAP Trial Balances.	N/A
Table 4.1: Recovered capital	Pipeline Assets	1989 -2004	Disposals (at cost)	Estimate	Pipeline Assets – Disposals (at cost) (2005 – 2021)	QGP estimated there to be no proceeds of disposals for the pipeline in the pre-acquisition period. This	Disposal (as cost) has been interpreted to mean cash proceeds

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
method - pipeline assets			BoP Reference: 4.1.d			estimate is based on analysis of the actual data for the SGSPAA post-acquisition period when there were no proceeds of disposals for the pipeline.	from the sales of property, plant and equipment which is the equivalent to the cost paid by the 3rd party which acquired the asset. No material proceeds on disposals over the life of the pipeline. Pipelines are a stable asset and it is reasonable to expect that proceeds on disposals of pipeline assets would be immaterial.
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets	2005 -2021	Disposals (at cost) BoP Reference: 4.1.d	Actual	SAP Trial Balance and SAP FAMR: • QGP 1 and • QGP 2	No proceeds of disposals were noted in the review of the SAP FAMR and the relevant SAP Trial Balance transaction data.	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.

13 — RECOVERED CAPITAL METHOD - PIPELINE ASSETS

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
							No material proceeds on disposals over the life of the pipeline. Pipelines are a stable asset and it is reasonable to expect that proceeds on disposals of pipeline assets would be immaterial.
Table 4.1: Recovered capital method - pipeline assets	Shared Assets	1989 -2021	Additions BoP Reference: 4.1.f	Actual	SAP FAMR: • QGP 1 and • QGP 2	Asset 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	No material replacements or disposals over the life of the pipeline. Pipelines are a stable asset and it is reasonable to expect that there would be minimal disposals.

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
						year within the field 'Capitalisation date'.	
Table 4.1: Recovered capital method - pipeline assets	Shared Assets	1989 – 2004	Construction cost or acquisition cost (where allowed) apportioned, Maintenance capitalised , Disposal (at cost) BoP Reference: 4.1.e	Estimate	Shared Assets 2005 – 2021 Actual Data	Data for the following items was not available prior to the SGSPAA acquisition of the pipeline: • Construction cost or acquisition cost (where allowed) apportioned, • Maintenance capitalised , • Disposal (at cost)	Post-acquistion actual mainteance capitalised data is an appropriate basis for estimting pre-acquisition maintenance No transactions recorded pre-acquisition for: • Construction cost or acquisition cost (where allowed) apportioned, • Maintenance capitalised , • Disposal (at cost)
Table 4.1: Recovered capital method - pipeline assets	Shared Assets	2005 - 2021	Construction cost or acquisition cost (where allowed) apportioned, Maintenance capitalised ,	Actual	2005-2021: SAP Trial Balance and FAMR for: • QGP 1 and • QGP 2	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,	N/A

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
			Disposal (at cost) BoP Reference: 4.1.e			• Maintenance capitalised , • Disposal (at cost) FAMR was not available for the period prior to SGSPAA ownership.	
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1990 – 1995	Revenue, Operating expenses BoP Reference: 4.1.g	Actual	Queensland Department of Industries Report - State Gas Pipeline Unit financial accounts	Extracted the revenue and operating expenses for each year from the Queensland Department of Industries Report - State Gas Pipeline Unit financial accounts.	The only revenue of the entity was pipeline revenue. Assume no material non-cash items included in revenue receipts and operating expenditure.
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1996 – 2004	Revenue, Operating expenses BoP Reference: 4.1.g	Estimate	1995 Queensland State Government Report 2005 SAP Trial Balance Figure • QGP 1 and • QGP 2	Revenues for the period from 1996 to 2004 were estimated using linear interpolation between state government revenue and operating expenses disclosures in 1995 and the pipeline's reported revenue and operating expenses in 2005.	The only revenue of the entity was pipeline revenue. Growth in Revenue and Operating Expenses was linear between 1996 and 2005. Assume no material non-cash items included in revenue receipts and operating expenses.

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
Table 4.1: Recovered capital method - pipeline assets	Return of capital	2005 - 2021	Revenue, Operating expenses BoP Reference: 4.1.g	Actual	SAP Trial Balance for: • QGP 1 and • QGP 2	A calendar year trial balance was generated from SAP and the revenue and operating expenditure general ledger accounts were aggregated. A review was performed of the relevant general ledger accounts included in the SAP Trial Balance to identify any non-cash general ledger accounts including: • Profit/(Loss) on disposal of assets • Bad Debt expense • Impairment expense SAP trial balances were relied upon because statutory accounts are not prepared for the pipeline.	The only revenue of the entity was pipeline revenue. Revenue per the trial balance after removing non-cash items is assumed to align with the cash flow from operating the pipeline.
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1990-2021	Net tax liabilities BoP Reference: 4.1.h	Estimate	1990 -1995: Queensland Department of Industries Report - State Gas Pipeline Unit financial accounts: Revenue, Operating Expenses	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. Net tax liability is calculated as:	'Net tax liability' is interpreted as the notional cash tax payable that would be payable if the pipeline was a stand-alone entity.

13 — RECOVERED CAPITAL METHOD - PIPELINE ASSETS

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			

					1996-2004:
					
					Linear interpolation (1995 & 2005): Revenue, Operating Expenses
					
					2005-2021:
					
					SAP Trial Balances – Revenue & Expenses:
					  − QGP 1 and
					  − QGP 2
						((Profit/(loss) before interest, tax, depreciation and amortisation
						
						Less tax depreciation
						
						Less interest expense)
						
						Multiplied by the applicable statutory tax rate (i.e. 30 per cent).
						
						Where:
						• Profit/(loss) before interest, tax, depreciation and amortisation equals Revenue less Operating expense explained above.
						• Tax Depreciation (2005-2021) sourced from the SAP Fixed Asset Tax Register.
						• Tax Depreciation (1990 – 2004) was calculated as: LTD Net Capex divided by the estimated tax useful life years. Tax useful life was estimated based on a useful life that align with tax depreciation amounts for 2005 sourced from the SAP Fixed Asset Tax Register.
						
						Interest Expense (2008-2021) was sourced from the segment note calculated as:
						
						SGSPAA Group interest expense multiplied by Pipeline total assets
							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 tax depreciation was incurred.
							
							The value of imputation credits to shareholders are not included in the RCM valuation.
							
							The aggregate 2012 and 2013 percentage split of interest expense between QGP, VicHub and QGP is appropriate to apply to the years 2008 – 2011 when interest expense was not allocated to the specific pipelines.
							
							The commencement of tax depreciation is

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
						divided by SGSPAA Group Total Assets. Interest Expense (1990-2006) was calculated as: Opening assets multiplied by gearing ratio multiplied by cost of debt. Interest Expense in 2007 was allocated down to the Pipeline level and therefore a notional allocation was not required. 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 (E.g. Accounting depreciation expense). After 2007 interest costs were not allocated down to the pipeline asset level. A notional interest allocation has been included in the net tax liabilities calculation based on analysis of the SGSPAA statutory account segment note disclosure.	assumed to be aligned to accounting depreciation based on the fixed asset register records of the Queensland Gas Pipeline.

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
						Interest expense was allocated to total pipelines in the segment note for 2008 to 2011, instead of the specific pipelines Eastern Gas Pipeline (**EGP**), Queensland Gas Pipeline and VicHub. The aggregate 2012 and 2013 percentage split of interest expense between EGP, VicHub and QGP was used to allocate total pipeline interest between pipelines for the period 2008 – 2011. After 2011 interest expense was no longer allocated to total pipelines therefore interest expense was allocated to each pipeline based on the pipeline's share of SGSPAA Group Total Assets.	
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1990-2021	Return on capital

BoP Reference: 4.1.i | Estimate | Refer to Table 4.1 - Return on Capital | 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. Both the opening asset value and the rate of return are explained below. | N/A |

| Table Name | Base Information | | | Population Approach | Source | Methodology | Assumptions |
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1990-2021	Return on capital (Opening asset value) BoP Reference: 4.1.i	Estimate – Due to the impact of Rate of return components.	Prior period within the RCM Calculation	Aggregation of Prior period Life-to-date (LTD) RCM Inputs. Opening Asset Value = Prior year Closing Asset Value = Prior year Opening Asset + Prior year net Capex (adjusted to end of year timing) – Prior year Return of capital. The Opening Asset Value for calculating the return on capital does not include the negative residual value reported in 4.1b of this table. Where Return of capital is, Revenue – Operating expenditure – Net tax liabilities - Return on Capital	

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1989-2021	Return on Capital (Rate of return) BoP Reference: 4.1.i	Estimate	The rate of return is estimated with reference to the following source inputs. *Gearing assumption input source*: • Asset betas adopted by Australian Competition and Consumer Commission (**ACCC**) and AER since 1998. • Asset betas identified by TDB and Frontier *Cost of debt and risk free rate input source:* Reserve Bank of Australia, Indicative Mid Rates of Australian Government Securities – 1992 to 2008 – F16, and Indicative Mid Rates of Australian Government Securities – 2009 to 2015, Capital	Weighted Average Cost of Capital (**WACC**) QGP estimates the rate of return as the nominal vanilla WACC. This approach estimates the rate of return as the weighted average of opportunity costs assessed across two sources of capital funding: debt and equity. $$WACC^{vanilla} = gearing \times r_d + (1 - gearing) \times r_e$$ Where r_d is the cost of debt, and r_e is the cost of equity. Gearing The proportion of debt funding 'gearing' has been sourced based on guidance from previous, current, forecast financial information used in statutory, management and budgeting reporting. The asset beta that we use is calculated as:	Gearing assumption The proportion of debt funding to capital is referred to as 'gearing'. QGP applies an assumption of 50 percent gearing, constant over time. The gearing assumption reflects reliance on the regulatory risk assumption but takes into account evidence that the gearing adopted by unregulated businesses is lower than that of regulated businesses. Imputation credits assumption QGP assumes the value of imputation credits ('gamma') is equal to zero reflecting SGSPAA

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
					Market Yields Government Bonds – Monthly – F2.1 – 1990 to 2021, and Aggregate Measures of Australian Corporate Bond Spreads and Yields – F3 – 1990 to 2021 *Equity beta input source:* ACCC – final decision PTS (Oct 1998); ACCC – final decision PTS (Nov 2002); AER – electricity and distribution WACC parameters (May 2009); AER – rate of return guideline (Dec 2013); AER – rate of return instrument (Dec 2018) *Market Risk Premium (MRP) input source:* Credit Suisse Global Investment Returns	• the regulatory asset betas adopted by the ACCC and AER since 1998, which has been paired with a gearing assumption of 60 percent; plus • the asset beta for samples of businesses with unregulated revenues identified by TDB and Frontier described above), at gearings of 39 percent and 28 percent respectively; less • the asset beta for samples of businesses with regulated revenues identified by TDB and Frontier (described above), at gearings of 40 percent and 43 percent respectively. The service provider considers that a gearing that is consistent with the formulation of asset beta is 50 percent. Cost of debt The cost of debt in each year is estimated as a prevailing cost of debt across the RCM capital base using the yield on corporate bonds with a broad BBB rating, and terms ranging from one to 10 years.	shareholders' tax status in Australia. This assumption is also applied to previous shareholders. Cost of debt and tenor assumptions The cost of debt is calculated under the assumptions that: • QGP aims to achieve a debt portfolio that is 'staggered' so that debt falls due in relatively equal amounts on a year to year basis, limiting refinancing risk; and • QGP aims to achieve a debt portfolio with an average term to maturity from issuance of 10 years. Cost of equity assumptions

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
					Yearbook, prepared by Dimson, Marsh and Staunton (2017 edition)	A 10 year yield on Australian Government Securities (AGS) was calculated on each day using linear interpolation between the yield of the bond with the highest term that is less than 10 years and the yield of the bond with the lowest term that is more than 10 years. Each interpolated 10 year yield was then converted from the semi-annual basis that the RBA reports them on to an annualised basis to reflect their application consistent with the calculation of the asset valuation;[5] and An average 10 year yield was calculated for each period as the average of the 12 month-end values in that period. Cost of equity. The cost of equity for each year since the construction of the QGP is	QGP estimates the cost of equity based on an acceptable return that is commensurate with the expected risk SGSPAA shareholders expect from this asset. This value is calculated under the assumption that, for the duration of each gas transportation contract for capacity agreed on the QGP, the cost of equity applying to the capital expenditure associated with that capacity is held constant at the rate applying at the time the contract was entered into until the expiry of the contract. Assumptions applied:

[5] We convert semi-annual yields to annualised yield using the following formula: $y_{annual} = \left(1 + \frac{y_{semi-annual}}{2}\right)^2 - 1$

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
						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 MRP; and β_e is the equity beta.	• a risk free rate estimated by reference to the yield on 10 year Australian government securities (**AGS**); • a constant MRP of 6.6 percent over the life of the pipeline; and

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
							• an equity beta ranging from 0.70 to 1.10 over the period (expressed at a gearing of 50 percent – reflecting regulatory precedent as applied by the ACCC and the AER for gas transmission equity betas, plus a positive adjustment to account for the additional risks associated with operating an unregulated gas transmission business such as QGP and increased technology risks associated with government's climate change and emission policies). • There is no relevant regulatory precedent that applies at the time of the construction of the QGP in 1990. Notes:

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
							Equity raising costs (i.e. the upfront expenses business may incur when issuing new capital) are assumed to be equal to zero, which is a conservative assumption. MRP The Credit Suisse Global Investment Returns Yearbook, prepared by Dimson, Marsh and Staunton, is a well-accepted source of estimates for average excess returns. The 2017 edition of the yearbook estimates the arithmetic average premium of Australian equities over Australian government bonds to be 6.6 percent over the period from 1990 to

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
							2016.[6] Importantly, this estimate includes only the returns from dividends and capital gains, and is not grossed up for the value of imputation credits. This estimate is therefore consistent with a value for gamma of zero. MRP of 6.6 percent represents our best estimate of a historical average of excess market returns, consistent with valuing imputation credits at zero.

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[6] Dimson, E., Marsh, P. and Staunton, M., *Credit Suisse Global Investment Returns Yearbook 2017*, February 2017, Table 13, p 72

Table Name	Base Information			Population Approach	Source	Methodology	Assumptions
	Asset Description	Year	Item & Basis of Preparation (BoP) Reference	Actual / Estimate[4]			
Table 4.1: Recovered capital method - pipeline assets	For information	2003-2021	Rate of return (WACC) BoP Reference: 4.1.j	Estimate	Table 4.1 - Return on Capital. Table 4.1 – Opening asset value.	Rate of return (WACC) = Return on capital in row 30 of the template / Opening asset value in row 32 of the template Where the opening or closing asset value (excluding negative residual value) is zero, we report N/A	N/A

Explanation for Estimated Amounts

For estimated amounts, in accordance with the Guideline Section 7 Basis of preparation, the following table explains:

- why it was not possible for the **service provider** to provide actual information;

- what steps the **service provider** took to locate actual information;

- if an estimate has been provided, the basis for the estimate, including the methods, assumptions and inputs used

- why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.

ESTIMATED INFORMATION

Table Name	Base Information			Population Approach	Why it was not possible for the Jemena Group to provide actual information	Steps Jemena Group took to locate actual information;	Basis for the estimate, including the methods, assumptions and inputs used	Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.
	Asset Description	Year	Item	Actual / Estimate				
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets	1989 – 2021	Negative residual value	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. In addition, 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.	No steps taken as actual information does not exist	An independent engineering estimate was used to estimate the cost of decommission the pipeline.	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). • Estimated cost of decommissioning at the time of Engineering report and estimated year of decommissioning.

13 — RECOVERED CAPITAL METHOD - PIPELINE ASSETS

| Table Name | Base Information | | | Population Approach | Why it was not possible for the Jemena Group to provide actual information | Steps Jemena Group took to locate actual information; | Basis for the estimate, including the methods, assumptions and inputs used | Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis. |
	Asset Description	Year	Item	Actual / Estimate				
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets, Shared Assets	1989 – 2004	Pipeline Assets: − Maintenance capitalised Shared Assets: − Construction cost or acquisition cost (where allowed) apportioned, − Maintenance capitalised , − Disposal (at cost)	Estimate	Data for these items was not available prior to the service providers ownership of the pipeline.	Information requests were sent to previous owners but no response was received.	No transactions for these items was noted over the SGSPAA ownership period. Estimated that there were no transactions for these items in the pre-acquisition period based on the assumption that the data would be consistent.	Data from the post-acquisition period is actual data. This actual data represents the best source for arriving at a best estimate.

Table Name	Base Information			Population Approach	Why it was not possible for the Jemena Group to provide actual information	Steps Jemena Group took to locate actual information;	Basis for the estimate, including the methods, assumptions and inputs used	Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.
	Asset Description	Year	Item	Actual / Estimate				
Table 4.1: Recovered capital method - pipeline assets	Pipeline Assets	1989 – 2006	Disposals (at cost)[7]	Estimate	Trial balance and fixed asset transactional data was not available prior to the SGSPAA ownership period.	Information requests were sent to previous owners but no response was received.	Analysis of SAP FAMR reports for each year since 2007 did not identify a significant level of disposals. Therefore it is unlikely that there would be a material level of proceeds on disposal to use as an input. The SAP FAMR does not report on proceeds on disposals but it can be used as a reference point to assess the level of disposals. Pipelines are a stable asset and it is reasonable to expect that there would be low levels of asset disposals and therefore proceeds on disposals of pipeline assets would be immaterial.	Data from the SGSPAA ownership period is actual data. This actual data represents the best source for arriving at a best estimate.

[7] 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.

13 — RECOVERED CAPITAL METHOD - PIPELINE ASSETS

Table Name	Base Information			Population Approach	Why it was not possible for the Jemena Group to provide actual information	Steps Jemena Group took to locate actual information;	Basis for the estimate, including the methods, assumptions and inputs used	Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.
	Asset Description	Year	Item	Actual / Estimate				
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1996 – 2004	Revenue, Operating Expenditure	Estimate	The 1996-2004 period is prior to the service provider's acquisition of the pipeline therefore the service provider does not have the relevant data.	Information requests were sent to previous owners but no response was received.

Statutory account disclosures were sourced from the Australian Securities and Investment Commission (ASIC) for the Duke and Alinta entities, however the information was concluded to be insufficient.

The accounts could not be relied on because they did not appear to contain data for the pipeline and the data was not consistent with our understanding of the pipelines operations. | Revenues for the period from 1996 to 2004 were estimated using linear interpolation between state government revenue and operating expenses disclosures in 1995 and the pipeline's reported revenue and operating expenses in 2005.

The operations of the pipeline would be stable over the missing data period.

The only revenue of the entity was pipeline revenue.

Assume no material non-cash items included in revenue receipts and operating expenses. | Actual data before and after the missing data period is the best data source to use as an input for estimating 1996-2004 revenue and operating expenses.

No factors have been noted that do not support the assumption that the operations of the pipeline would be stable over the missing data period. |

Table Name	Base Information			Population Approach	Why it was not possible for the Jemena Group to provide actual information	Steps Jemena Group took to locate actual information;	Basis for the estimate, including the methods, assumptions and inputs used	Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.
	Asset Description	Year	Item	Actual / Estimate				
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1990 – 2021	Net tax liabilities	Estimate	QGP 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. Actual total asset data was not available for each of the pipelines EGP, QGP and VicHub from 2008 to 2011. Therefore total assets could not be used as a basis to allocate interest costs across the pipelines.	No steps taken as actual information does not exist for net tax liabilities. Actual total asset data was not available for each of the pipelines EGP, QGP and VicHub from 2008 to 2011. Therefore no steps were taken to locate actual information.	Estimated based on calculation of Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) Less Tax Depreciation Less notional interest Multiplied by the corporate tax rate (30 percent). The EBITDA has been reviewed to identify material non-cash items that may require adjustment when estimating the net tax liability cash flow	The estimate represents a best estimate because wherever possible an actual reference data point has been used as a basis to calculate the estimate EBITDA is the best approach for calculating the cash flows each year and therefore is the most appropriate input into the net tax liability calculation. EBITDA 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.

Table Name	Base Information			Population Approach	Why it was not possible for the Jemena Group to provide actual information	Steps Jemena Group took to locate actual information;	Basis for the estimate, including the methods, assumptions and inputs used	Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.
	Asset Description	Year	Item	Actual / Estimate				
							The aggregate 2012 and 2013 percentage split of interest expense between EGP, VicHub and QGP was used to allocate total pipeline interest between pipelines for the period 2008 – 2011.	The 2012 to 2013 interest split percentages between EGP, QGP and VicHub was the best estimate for the years 2008 to 2011 because it is the closest time periods where actual data was available. Further the average pipeline interest for the 2012 & 2013 period most closely aligned with the average pipeline interest for the 2008 to 2011 period.
Table 4.1: Recovered capital method - pipeline assets	Return of capital	1989 – 2021	Rate of return	Estimate	The Guideline advises that the rate of return should be determined each year and should be commensurate with the prevailing conditions in the market for funds and reflect the risk the service provider face in providing pipeline services.	Actual information does not exist for the rate of return. SGSPAA estimated the rate of return as a WACC and sourced actual data to input into the WACC calculation.	Refer to Table 4.1: Recovered capital method - pipeline assets - rate of return explanation above.	Using a WACC as an estimate for rate of return is an accepted methodology adopted by the AER and therefore represents the best estimate possible.

Table Name	Base Information			Population Approach	Why it was not possible for the Jemena Group to provide actual information	Steps Jemena Group took to locate actual information;	Basis for the estimate, including the methods, assumptions and inputs used	Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.
	Asset Description	Year	Item	Actual / Estimate				
					The Guideline Explanatory Statement (pg. 25) advises with regard to the 'Commercial rate of return' that 'Service provides will be able to determine how this input is estimated'. Usage of the term 'estimated' in the Guideline Explanatory Statement implies that SGSPAA is required to estimate this data input.	The rate of return is a theoretical concept and does not reference QGP costs, rather it refences regulatory decisions that have been applied to the relevant time period.		The data inputs into the WACC have been sourced from published AER accepted sources and therefore is a best estimate which has been arrived at on a reasonable basis.

14.   PIPELINE DETAILS

Table Name	Item	Actual / Estimate	Source	Methodology	Assumptions
Table 4.2: Pipeline details	Construction date	Actual	SAP FAMR	Extracted the year of construction from the FAMR for the construction assets.	Construction date is interpreted as the mid-point of the year when construction commenced based on reference to the FAMR.
Table 4.2: Pipeline details	Negative residual value	Estimate	Refer to 'Table 4.1: Recovered capital method - pipeline assets' source.	Refer to 'Table 4.1: Recovered capital method - pipeline assets' methodology explanation.	Refer to 'Table 4.1: Recovered capital method - pipeline assets' assumptions.

15. CAPITAL EXPENDITURE

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 4.1.1: Capital expenditure greater than 5% of construction cost	4.1.1.a	Description of works, Date recognised, Expenditure ($ nominal)	Actual	SAP (Referencing the RCM template)	QGP analysed the underpinning data for the RCM template and with a view to identifying any capex that is > than 5% of the construction cost. QGP had capex that met the criteria of the template in: 1998, 2000, 2008 - 2010, 2013 - 2015. QGP extracted Description of works, Date recognised and Expenditure ($ nominal) from the SAP FAMR for all years except CY15. For CY15 SAP Project report was also relied on to extract Description of works, Date recognised and Expenditure ($ nominal). *Mid-point Net Capital Expenditure Gross Up* SAP FAMR Expenditure ($ nominal) are escalated to a mid-year point to account for the return on capital for capital expenditure incurred during the year. $$Mid\ Point\ Gross\ Capex = Capex \times (1 + Rate\ of\ Return\ percentage)^{0.5}$$ The Rate of Return percentage input calculation methodology is further explained with the Recovered Capital Method above (refer to 'Rate of Return' item).	QGP has interpreted that the capex required in the template is for the life to date basis for the pipeline. For the Jun18 disclosures, QGP interpreted that the capex required in the template only related to the period 1 Jan 18 to 30 Jun 18.

16. WEIGHTED AVERAGE PRICES

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 5.1 Weighted average prices	5.1.a	Volume	Estimate	The PypIT system is the billing/invoicing system in place which provides the detailed breakdown of volumes and revenue data by service type and shipper as well as the corresponding contract information. Hence, this would be the best source to provide data for the purposes of calculating the weighted average price since it is the only system that captures information related to revenue, volume and category breakdown and details in the same place.	Data extracted from PypIT is compared and checked against SAP balances and reference tariffs before being categorised accordingly based on service type per details below. Where necessary data has been manually categorised as follows: **Categorisation of Charge Method** The "Postage Stamp Transportation Services" represents revenue and volumes associated with Firm Forward and As Available Backhaul Services. Per Section 5 of the Guideline, these services are where the same charge is payable along the length of the pipeline, irrespective of the distance transported. Firm services are charged on a capacity basis i.e. Maximum Daily Quantity (**MDQ**), while Backhaul services are charged on a volumetric basis (i.e. actual deliveries). **Volume Calculation** The volume used in the weighted average price calculation is based on the service type. For Firm Services, volumes are based on MDQ. To obtain the total relevant volumes for a particular month, the MDQ needs to be multiplied out by the number of days in the month. For As Available Backhaul, the actual delivery volumes would apply. Volume data have been estimated for each service and charge reported in the template by adjusting raw data obtained from the PypIT reports. Manual calculations have been performed to	Some specific charges / services are not relevant to the weighted average price calculation (i.e. not part of the service categories required under the weighted average price template as specified Section 5 of the Guideline. This is discussed further below. In determining the total revenue to be used in calculating the weighted average price, there are certain service types which fall under "Other Direct Revenue" in Table 2.1.1 that were intentionally omitted from the weighted average price calculation as do not form part of the main pipeline revenue generating services. These services include: • As Available Park Service

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					calculate the relevant volumes to be included in the WAP calculations.	• Authorised Overrun Charge • Unauthorised Overrun Charge • Imbalance Charge • Minimum Monthly Service Charge The invoice data in PypIT reflects actual invoicing and has been used as the basis of allocation. Based on the invoice data retrieved from PypIT, the revenue and volume data used in the weighted average price calculation is included/excluded based on the revenue charge type and service type categorisation. The MDQ used in the calculation (as referred to in the methodology) is the applicable MDQ on the last day of the month. The volume calculated is therefore only an estimated volume because there are

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
						instances where MDQ in the month is not constant. For services where calculated volumes are materially different from the total invoiced volumes (typically where there have been curtailments or large MDQ changes), the invoiced volumes have been used.
Table 5.1 Weighted average prices	5.1.b	Revenue	Actual	PypIT	Categorisation of data per above Volume Methodology. **Revenue Calculation** The revenue obtained in the report to be used in the weighted average price calculation is based on the sum of the relevant charges per the assumptions listed out in this paper. The relevant charges are added together to come to an adjusted revenue figure before it is used in the final weighted average price calculation. **Weighted Average Price Calculation** The final weighted average price calculation is based on the revenue calculated divided by volume calculated per above in line with section 5.1.2 of the guideline. In accordance with some of QGP's customer Gas Transmission Agreements (**GTA**), QGP provides non related party volume	As per above assumption, using the invoice data retrieved from PypIT, the revenue and volume data used in the weighted average price calculation is included/excluded based on the revenue charge type and service type categorisation. For services with minimum monthly charges (typically for services charged on a throughput basis), the charges associated with actual usage have been extracted from the minimum service charge and included in the revenue for the

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
					related rebates to these customers. The rebate has been netted off against Firm forward haul transportation services revenue in the weighted average calculation	weighted average price calculation.

17.   EXEMPT WAP SERVICES

Table Name	Base Information		Population Approach	Source	Methodology	Assumptions
	Reference	Item	Actual / Estimate			
Table 5.1.1 AER Exemptions	No BoP Reference cells in the template	N/A	Actual	PypIT System as per description in Table 5.1	Based on a report run out of PypIT, the number of customers by service type by pipeline can be determined. Based on this information, the service types that have no more than 2 shippers were identified and were listed out to AER for exemptions to apply in accordance with section 5.3 of the Guideline.	N/A

18. ESTIMATED INFORMATION

Table Name	Base Information		Population Approach	Source	Why it was not possible for the Jemena Group to provide actual information	Steps Jemena Group took to locate actual information	Basis for the estimate, including the methods, assumptions and inputs used	Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis.
	Reference	Item	Actual / Estimate					
Table 5.1 Weighted average prices	5.1.a	Volume	Estimate	As Above	This is due to the system limitations of PypIT as it was not built for this reporting purpose.	Jemena Group is currently working towards developing a PypIT report that captures the relevant data for the WAP calculation. A planned completion date for these software changes has not been finalised.	PypIT contains contract details (MDQ, tariff and terms), nominations, invoice amounts, pipeline schedules and actual deliveries for all our shippers and services. Currently there is no report in place in PypIT that provides the data in a way to be used to calculate the WAP. QGP is currently manually extracting the relevant information to be used in the calculations and including/excluding components in the	This is the best estimate given the information available from PypIT. We are not aware of any alternative information available to us at this time.

| Table Name | Base Information | | Population Approach | Source | Why it was not possible for the Jemena Group to provide actual information | Steps Jemena Group took to locate actual information | Basis for the estimate, including the methods, assumptions and inputs used | Why the estimate represents the best estimate possible in the circumstances and has been arrived at on a reasonable basis. |
	Reference	Item	Actual / Estimate					
							calculations based on the assumptions included in the file. Due to the recategorisation / split out of the raw data from the report and the calculation of the weighted average prices based on these manually adjusted figures, the data disclosed are only estimates.	