



Basis of Preparation	Approach
<b>Pipeline information</b>	
Source/s from which the service provider obtained the information provided, including where information is obtained from external sources	<p>Pipeline length – originally sourced from installation and build information and intelligent pigging data.</p> <p>Number of customers - review of contracts and revenue information obtained from the accounting system.</p> <p>Pipeline services provided – review of contracts.</p>
Methodology the service provider applied to provide the required information, including any assumptions the service provider made and inputs used	<p>Pipeline length – intelligent pigging data verified in Geographic Information System (GIS).</p> <p>Number of customers - review of information obtained from accounting system breaking down revenue by customer.</p> <p>Pipeline services provided – review of contracts detailing services provided.</p>
Circumstances where the service provider cannot provide actual information and only estimates are available	N/A – actual information is provided
<b>Pipeline financial statements</b>	
Source/s from which the service provider obtained the information provided, including where information is obtained from external sources	<p>Information obtained from accounting system based on inputs from third party supporting documents. Acquisition cost of pipeline based on independent valuation received during the acquisition process.</p> <p>Depreciation based on an asset life in line with the Financial Reporting Guideline for Non-Scheme Pipelines.</p>
Methodology the service provider applied to provide the required information, including any assumptions the service provider made and inputs used	<p>The Financial Statements have been prepared to meet the requirements of Rule 22, Schedule 6 of the National Gas Rules as a service provider for non-scheme pipelines.</p> <p>The financial statements have been prepared in conformity with the Financial Reporting Guideline for Non-Scheme Pipelines, Australian Accounting Standards and Generally Accepted Accounting principles which require management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.</p>
Circumstances where the service provider cannot provide actual information and only estimates are available	N/A – actual information is provided.



<p><b>Asset value determined using the recovered capital method</b></p>	
<p>Source/s from which the service provider obtained the information provided, including where information is obtained from external sources</p>	<p>Information obtained from the original operator at the time of acquisition of the pipeline and from accounting system based on inputs from third party supporting documents for the financial years ending 30 June 2020 to 30 June 2023. An estimate of financial information prior to the acquisition of the pipeline is based on this actual information and discussions with management and de-escalated by the relevant Australian Government sourced CPI data.</p>
<p>Methodology the service provider applied to provide the required information, including any assumptions the service provider made and inputs used</p>	<p><b>Construction cost</b> Based on financial information provided by original operator at the time of acquisition.</p> <p><b>Additions</b> Review information obtained from accounting system based on inputs from third party supporting documents.</p> <p><b>Revenue and operating expenses</b> Review accounting system based on inputs from third party supporting documents for the financial years ending 30 June 2020 to 30 June 2023. An estimate of financial information prior to the acquisition of the pipeline is based on this actual information and de-escalated by the relevant Australian Government sourced CPI data.</p> <p><b>Net tax liabilities</b> Tax is calculated on a standalone basis and based on pipeline specific financial data.</p> <p><b>Return on capital</b> The weighted average cost of capital (WACC) used as the basis for corporate impairment calculations is considered a reasonable proxy for the rate of return used in the calculation of return on capital. The real post tax WACC considers the risk free rate, market risk premium, asset beta, equity beta, nominal pre-tax cost of debt and a target gearing ratio.</p>
<p>Circumstances where the service provider cannot provide actual information and only estimates are available</p>	<p>An estimate of financial information prior to the acquisition of the pipeline is based on actual information sourced from the accounting system for the financial years ending 30 June 2020 to 30 June 2023 and discussions with management and de-escalated by the relevant Australian Government sourced CPI data.</p>
<p><b>Weighted average prices</b></p>	<p>Following the repeal of Part 23 of the National Gas Rules on 2 March 2023, service providers are no longer required to publish weighted average price information for any pipeline.</p>