

Standardisation costs incurred by Epic Energy South Australia Pty Limited (Epic) are the reasonable costs incurred in establishing and maintaining standard operational agreements for its transportation facilities, and systems and processes to comply with its obligations under Part 24 and Part 25 of the NGL. Standardisation costs incurred by Epic include:

Cost Element		Explanation	Costs (Note 1)
Establishment costs	Legal	Legal and advisor costs to ensure compliance with operational requirements of Part 24 and Part 25. Legal and advisor costs to establish standard operational agreements.	\$772,902
	Systems	IT costs to redesign the existing CRS platform to comply with Part 24 and Part 25 and integrate with AEMO systems.	
	Project Management	Costs associated with the update of Operational and Commercial processes and training of staff. Project costs including the design, development and testing of systems and processes and providing information to AEMO.	
Maintenance costs		Legal and advisor costs to maintain and update standard operational agreements. Ongoing IT and business costs to remain compliant with auction systems and processes.	\$40,000

Note 1 - All costs detailed are incremental implementation costs of Part 24 and Part 25, Epic did not provide capacity transfer services as part of its service offering and so the development of an impact analysis of the changes, costs incurred in the development of contracts and systems and the costs of implementation were all specific to this.

Standardisation Charges

Establishment costs and Maintenance Costs have been allocated between the MAPS and SEPS in accordance with total maximum capacity of each of the pipelines resulting in the following allocation:

- MAPS 97%
- SEPS 3%

MAP Standardisation Charge per Annum = (((Total Establishment Cost / Recovery Term) + Total estimated ongoing maintenance costs) x Pipeline Allocation) / Assumed Users

Therefore:

$((($772,902 / 3 \text{ Years}) + \$40,000) \times 97\%) / 8 \text{ Users} = \$36,088$ (Rounded to \$35,000)

Standardisation Charge per Annum = (((Total Establishment Cost / Recovery Term) + Total estimated ongoing maintenance costs) x Pipeline Allocation) / Assumed Users

Therefore:

$((($772,902 / 3 \text{ Years}) + \$40,000) \times 3\%) / 1 \text{ User} = \$8,929$ (Rounded to \$10,000)

As the Moomba to Adelaide Pipeline System (MAPS) and South East Pipeline System (SEPS) utilise the same CRS platform, Epic has aggregated a portion of the actual and forecast Establishment and Maintenance costs. Epic has divided the anticipated total costs by an estimated number of OTSA participants for each pipeline to estimate a cost per user. The costs are recovered over the life of the OTSA and specified as a standardisation charge in the OTSA.

Epic will maintain a schedule of costs incurred against Standardisation costs recovered and auction revenue and anticipates that the Standardisation Charge specified in the OTSA will reduce in the future after Establishment costs have been recovered.

Auction revenue will be first offset against the Standardisation Charge with any additional revenue over and above the Standardisation charge offset against total costs.