
**REGULATORY INFORMATION
NOTICE UNDER DIVISION 4
OF PART 3 OF THE
NATIONAL ELECTRICITY
(STATE) LAW**

ISSUED BY

**THE AUSTRALIAN ENERGY
REGULATOR**

**Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601**

NATIONAL ELECTRICITY (STATE) LAW

DIVISION 4 OF PART 3

REGULATORY INFORMATION NOTICE TO PROVIDE, PREPARE AND MAINTAIN INFORMATION

TO: NSP Name (ACN XXX XXX XXX)
ADDRESS
SUBURB STATE POSTCODE

The Australian Energy Regulator (**AER**) considers it reasonably necessary for NSP Name (ACN XXX XXX XXX) (**DN**SP), being a regulated network service provider for the purposes of section 28D of the *National Electricity (STATE) Law (NEL)* who provides electricity distribution services in State, to provide and to prepare and maintain the information in the manner and form specified in this Regulatory Information Notice (Notice), which is information the AER requires for the performance or exercise of its functions or powers conferred on it under the NEL or the *National Electricity Rules (NER)*.

THE MATTERS THE SUBJECT OF THIS NOTICE

This Notice sets out the requirements that must be complied with and the information that must be provided to the AER and be prepared and maintained by DNSP for the purposes of the AER to:

1. publish network service provider performance reports (annual benchmarking reports) the purpose of which are to describe, in reasonably plain language, the relative efficiency of each Distribution Network Service Provider in providing direct control services over a 12 month period
2. assess benchmark operating expenditure and benchmark capital expenditure that would be incurred by an efficient Distribution Network Service Provider relevant to building block determinations

in respect of the distribution services provided by way of the electricity distribution network DNSP operates in State.

Pursuant to sections 28F(1)(a) and 28M(e) of the NEL, the AER requires DNSP to:

1. provide the information specified in Schedule 1 to this Notice, audited in accordance with Appendix C to this Notice;
2. prepare and maintain the information in the manner and form specified in Schedule 2 to this Notice;

3. verify, using the statutory declaration in Appendix B to this Notice, the information specified in this Notice; and

deliver the said information and the accompanying Audit Report and Review Report(s) electronically to AERInquiry@ aer.gov.au, on or before 5 pm Australian Eastern Standard Time on:

- (a) Saturday, 31 May 2014 for information relating to the Initial Regulatory Years; and
- (b) 30 April (or, if 30 April is not a *Business Day*, the next *Business Day*) of each year t , for information relating to each Subsequent Regulatory Year, where:
 - (i) Year t commences in 2015; and
 - (ii) The relevant Subsequent Regulatory Year is the year $t - 1$.

Explanatory note: DNSP must provide the information for the 2014 Regulatory Year on Thursday, 30 April 2015; the information for the 2015 Regulatory Year on Monday, 2 May 2016 and so on.

Pursuant to section 28K(1)(c) of the NEL, the reasons for the information required in this Notice to be provided and to be prepared and maintained in the manner and form specified are set out in Appendix D to this Notice.

DEFINITIONS AND INTERPRETATION

In this Notice, including the Schedules and Appendices to this Notice, unless the contrary intention appears:

- the singular includes the plural and the plural includes the singular;
- a reference to any corporation, whether expressly identified or not, includes a reference to any Representative of that corporation; and
- the terms in the table in Appendix F have the definitions set out in that table.

DATED: 6 December 2013

.....
Andrew Reeves
Chair

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SCHEDULE 1

REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY (STATE) LAW ISSUED TO

NSP NAME (ACN XXX XXX XXX)

Note: (a) All information and responses must be provided in accordance with this Schedule.

(b) Audited or reviewed information must be provided annually.

1. PROVIDE INFORMATION

1.1 Provide the information required in each *Regulatory Template* in the Microsoft Excel Workbook attached at Appendix A completed in accordance with:

- (a) this Notice;
- (b) the Principles and Requirements in Appendix E; and
- (c) the applicable approved cost allocation method.

1.2 Provide in accordance with this Notice and the Principles and Requirements in Appendix E, a Basis of Preparation demonstrating DNSP has complied with this Notice, in respect of:

- (a) the information in each Regulatory Template in the Microsoft Excel Workbook attached at Appendix A; and
- (b) any other information prepared in accordance with the requirements of this Notice.

1.3 Provide any other supporting information or documentation used to comply with the requirements of this Notice.

2. AUDIT REPORTS

2.1 Provide an Audit Report and Review Report(s) in accordance with the requirements in Appendix C.

2.2 Provide all reports from the Auditor to DNSP's management regarding the audit review and/or auditors' opinions or assessment.

3. CONFIDENTIAL INFORMATION

3.1 If DNSP wishes to make a claim for confidentiality over any information provided in response to this *Notice*, provide the details of that claim in accordance with the requirements of the *AER's Confidentiality Guideline*, as if it extended and applied to that claim for confidentiality.

- 3.2 Provide any details of a claim for confidentiality in response to clause 3.1 at the same time as making the claim for confidentiality.
- 3.3 Confirm, in writing, that DNSP consents to the *AER* disclosing all other of DNSP's Information on the *AER* website.

4. ONGOING OBLIGATION

- 4.1 Provide information for the Subsequent Regulatory Years annually up to and including the 2024 Regulatory Year.

SCHEDULE 2

REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY (STATE) LAW ISSUED TO

NSP NAME (ACN XXX XXX XXX)

Note: The information specified in the Microsoft Excel workbook attached at Appendix A and accompanying Basis of Preparation must be verified in accordance with the requirements of this Notice using the statutory declaration in Appendix B and audited or reviewed (as appropriate) in accordance with Appendix C.

1. PREPARE INFORMATION

- 1.1 Prepare the Microsoft Excel workbook attached at Appendix A in the manner and form specified in the worksheets therein and in accordance with this Notice.
- 1.2 Prepare a Basis of Preparation in accordance with the requirements specified in Schedule 1. The Basis of Preparation must:
 - (a) demonstrate how the information provided is consistent with the requirements of this Notice;
 - (b) explain the source from which DNSP obtained the information provided;
 - (c) explain the methodology DNSP applied to provide the required information, including any assumptions DNSP made;
 - (d) explain, in circumstances where DNSP cannot provide input for a Variable using Actual Information and therefore must provide input using Estimated Information:
 - (i) why an estimate was required, including why it was not possible for DNSP to use Actual Financial Information or Actual Non-financial Information (as the case may be, depending on the information);
 - (ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is DNSP's best estimate, given the information sought in this Notice.
- 1.3 Prepare all information required under this Notice in a manner and form:
 - (a) that is in accordance with the requirements specified at Schedule 1;
 - (b) which:
 - (i) is in an electronic format;
 - (ii) includes (where applicable) any underlying calculations and formulae;
 - (iii) is not password protected; and
 - (iv) is capable of text selection and a 'copy and paste' function being applied to it.

(c) that is readily available for inspection by, or submission to, the AER.

1.4 Prepare, using a person(s) who satisfies the requirements of paragraph 2 of Appendix C, an Audit Report and Review Report(s) (as applicable) in accordance with the requirements of this Notice.

2. MAINTAIN INFORMATION

2.1 Maintain, from the date of this Notice, all information prepared under this Schedule 2.

APPENDIX A: REGULATORY TEMPLATES

See attached Microsoft Excel Workbook titled: '***AER Category Analysis data templates for distribution network service providers.xlsx***'

APPENDIX B: STATUTORY DECLARATION
NATIONAL ELECTRICITY STATE) LAW
SECTION 28M(d)
STATUTORY DECLARATION

Commonwealth of Australia
STATUTORY DECLARATION
Statutory Declarations Act 1959

1 *Insert the name, address and occupation of person making the declaration*

I,¹

make the following declaration under the *Statutory Declarations Act 1959*:

2 *Set out matter declared to in numbered paragraphs*

2

1. I am an officer, for the purposes of the *National Electricity (STATE) Law (NEL)*, of NSP Name (ACN XXX XXX XXX), a regulated network service provider for the purposes of section 28D of the NEL. I am authorised by NSP Name to make this statutory declaration as part of the response of NSP Name (**DNSP**) to the Regulatory Information Notice dated 28 November 2013 (**Notice**) served on DNSP by the Australian Energy Regulator (**AER**).
2. Having had regard to the Notice, I say that the actual information provided in DNSP's response to the Notice is, to the best of my information, knowledge and belief:
 - (a) in accordance with the requirements of the Notice; and
 - (b) true and accurate.
3. Where it is not possible to provide actual information to comply with the Notice, DNSP has, to the best of my information, knowledge and belief, for the purposes of complying with the Notice:
 - (a) provided DNSP's best estimate of the information in accordance with the requirements of the Notice; and
 - (b) provided the basis for each estimate, including assumptions made and reasons why the estimate is the best estimate, given the information sought in the Notice.

3 *Signature of person making the declaration*

3

4 *Place*

Declared at ⁴

on ⁵

of ⁶

5 *Day*

6 *Month and year*

Before me,

7 *Signature of person before whom the declaration is made (see over)*

7

8 *Full name, qualification and address of person before whom the declaration is made (in printed letters)*

8

Note 1 A person who intentionally makes a false statement in a statutory declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years — see section 11 of the *Statutory Declarations Act 1959*.

Note 2 Chapter 2 of the *Criminal Code* applies to all offences against the *Statutory Declarations Act 1959* — see section 5A of the *Statutory Declarations Act 1959*.

A statutory declaration under the *Statutory Declarations Act 1959* may be made before—

- (1) a person who is currently licensed or registered under a law to practise in one of the following occupations:
- | | | |
|----------------------|----------------------|--------------------|
| Chiropractor | Dentist | Legal practitioner |
| Medical practitioner | Nurse | Optometrist |
| Patent attorney | Pharmacist | Physiotherapist |
| Psychologist | Trade marks attorney | Veterinary surgeon |
- (2) a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described); or
- (3) a person who is in the following list:
- Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
 - Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the *Consular Fees Act 1955*)
 - Bailiff
 - Bank officer with 5 or more continuous years of service
 - Building society officer with 5 or more years of continuous service
 - Chief executive officer of a Commonwealth court
 - Clerk of a court
 - Commissioner for Affidavits
 - Commissioner for Declarations
 - Credit union officer with 5 or more years of continuous service
 - Employee of the Australian Trade Commission who is:
 - (a) in a country or place outside Australia; and
 - (b) authorised under paragraph 3 (d) of the *Consular Fees Act 1955*; and
 - (c) exercising his or her function in that place
 - Employee of the Commonwealth who is:
 - (a) in a country or place outside Australia; and
 - (b) authorised under paragraph 3 (c) of the *Consular Fees Act 1955*; and
 - (c) exercising his or her function in that place
 - Fellow of the National Tax Accountants' Association
 - Finance company officer with 5 or more years of continuous service
 - Holder of a statutory office not specified in another item in this list
 - Judge of a court
 - Justice of the Peace
 - Magistrate
 - Marriage celebrant registered under Subdivision C of Division 1 of Part IV of the *Marriage Act 1961*
 - Master of a court
 - Member of Chartered Secretaries Australia
 - Member of Engineers Australia, other than at the grade of student
 - Member of the Association of Taxation and Management Accountants
 - Member of the Australasian Institute of Mining and Metallurgy
 - Member of the Australian Defence Force who is:
 - (a) an officer; or
 - (b) a non-commissioned officer within the meaning of the *Defence Force Discipline Act 1982* with 5 or more years of continuous service; or
 - (c) a warrant officer within the meaning of that Act
 - Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants
 - Member of:
 - (a) the Parliament of the Commonwealth; or
 - (b) the Parliament of a State; or
 - (c) a Territory legislature; or
 - (d) a local government authority of a State or Territory
 - Minister of religion registered under Subdivision A of Division 1 of Part IV of the *Marriage Act 1961*
 - Notary public
 - Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public
 - Permanent employee of:
 - (a) the Commonwealth or a Commonwealth authority; or
 - (b) a State or Territory or a State or Territory authority; or
 - (c) a local government authority;with 5 or more years of continuous service who is not specified in another item in this list
 - Person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made
 - Police officer
 - Registrar, or Deputy Registrar, of a court
 - Senior Executive Service employee of:
 - (a) the Commonwealth or a Commonwealth authority; or
 - (b) a State or Territory or a State or Territory authority
 - Sheriff
 - Sheriff's officer
 - Teacher employed on a full-time basis at a school or tertiary education institution

APPENDIX C: AUDIT AND REVIEW
NATIONAL ELECTRICITY (STATE) LAW
SECTION 28M(e)
AUDIT AND REVIEW REQUIREMENTS

1. INFORMATION SUBJECT TO INDEPENDENT AUDIT OR REVIEW

- 1.1 The information subject to independent audit or review is the:
- (a) Actual Financial Information in the Microsoft Excel Workbook attached at Appendix A;
 - (b) Estimated Financial Information in the Microsoft Excel Workbook attached at Appendix A where DNSP certifies that it is not possible to provide actual historical information;
 - (c) Actual and Estimated Non-financial Information in the Microsoft Excel Workbook attached at Appendix A; and
 - (d) The Basis of Preparation prepared by DNSP in accordance with the requirements of this Notice and the Principles and Requirements in Appendix E.
- 1.2 For each Subsequent Regulatory Year, the information subject to audit or review in paragraph 1.1 is that Regulatory Year only.

2. CLASS OF PERSON TO CONDUCT AUDITS

- 2.1 The audit or review of information (as applicable) referred to in paragraph 1.1(a) and 1.1(b) and those parts of paragraph 1.1(d) that relate to Financial Information must be conducted by a person who:
- (a) is a registered company auditor who is a member of the Institute of Chartered Accountants Australia (CA or FCA) or of CPA Australia (CPA or FCPA) that holds a Certificate of Public Practice;
 - (b) is independent from DNSP and all of its Related Bodies Corporate – that is, not a principal, member, shareholder, officer, or employee of DNSP or its related entities;
 - (c) is appointed for the purposes of expressing an opinion or conclusion on the audit requirements outlined in detail in paragraph 3;
 - (d) has experience in conducting financial, performance, operation or quality assurance audits and conducting data sampling in the electricity industry;
 - (e) possesses relevant knowledge and experience in the electricity industry, engineering, IT systems, asset management or customer service as relevant to the audit or review;

- (f) understands the procedures and methodologies underlying the data and the AER's relevant definitions for all information; and
 - (g) if necessary, is available to discuss issues relating to the audits with DNSP and the AER, including where an Audit Report or Review Report is critical of, or highlights deficiencies in, the audited Financial Information and/or Non-financial Information.
- 2.2 The review of information referred to in paragraph 1.1(c) and those parts of 1.1(d) that relate to Non-financial Information may be conducted by a person who:
- (a) is not a registered company auditor or a member of the Institute of Chartered Accountants Australia (CA or FCA) or of CPA Australia (CPA or FCPA) and who does not hold a Certificate of Public Practice;
 - (b) is an assurance practitioner as defined in ASAE 3000 *Assurance engagements other than audits or reviews of historical financial information*; and
 - (c) otherwise satisfies the requirements of paragraphs 2.1(b) to (g).

3. AUDIT AND REVIEW REQUIREMENTS

- 3.1 Audits and reviews must be conducted in compliance with Australian Auditing and Assurance Standards, as developed by the Auditing and Assurance Standards Board.
- 3.2 The audit of Actual historical Financial Information referred to in paragraph 1.1(a) and those parts of paragraph 1.1(d) that relate to Actual Financial Information must:
- (a) comply with the Auditing Standard ASA 805 *Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*; and
 - (b) the Audit Report must include an opinion as to whether or not the Financial Information provided is presented fairly in accordance with the requirements of this Notice and DNSP's Basis of Preparation.
- 3.3 The review of the Estimated historical Financial Information referred to in paragraph 1.1(b) those parts of paragraph 1.1(d) that relate to Estimated Financial Information must:
- (a) comply with the ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*; and
 - (b) the Review Report must include a conclusion as to whether or not anything has come to the Auditor's attention that causes it to believe that the estimated historical Financial Information is not, in all material respects, presented fairly in accordance with the requirements of this Notice and DNSP's Basis of Preparation.
- 3.4 The review of the Non-financial Information referred to in paragraph 1.1(c) and those parts of paragraph 1.1(d) that relate to Non-Financial Information must:
- (a) comply with the ASAE 3000 *Assurance engagements other than audits or reviews of historical financial information*; and

- (b) the Review Report must include a conclusion as to whether or not anything has come to the Auditor's attention that causes it to believe that the historical Non-financial Information is not, in all material respects, presented fairly in accordance with the requirements of this Notice and DNSP's Basis of Preparation.

APPENDIX D: STATEMENT OF REASONS

NATIONAL ELECTRICITY (STATE) LAW

SECTION 28K(1)(c)

STATEMENT OF REASONS

This statement of reasons explains why the AER considers it reasonably necessary for the information described in this Notice to be provided, prepared and maintained in the manner and form specified.

Under clause 6.27 of the NER, the AER must prepare and publish an annual benchmarking report to describe the relative efficiency of each distribution network service provider over a 12 month period. Further, under clauses 6.5.6 and 6.5.7 of the NER, the AER must have regard to benchmark operating expenditure and benchmark capital expenditure when assessing these types of expenditure.

Accordingly, the AER requires detailed information relating to DNSP and its regulated electricity network services to conduct benchmarking. Information detailing how the AER proposes to conduct and apply benchmarking and the reasons the AER requires the information in this Notice are contained in:

- the AER's Expenditure Forecast Assessment Guidelines issues paper (December 2012);
- the AER's explanatory statements for the draft and final Expenditure Forecast Assessment Guidelines for electricity transmission and distribution (August 2013 and November 2013); and
- the AER's explanatory statement for the draft regulatory information notices for category analysis (December 2013).

These documents are available on the AER's website at <http://www.aer.gov.au/node/18864> or <http://www.aer.gov.au/node/21843>.

We have considered the costs to NSPs of providing the information and consider they are outweighed by the social benefits. The explanatory statement for the final Expenditure Forecast Assessment Guideline (referred to above) contains detailed consideration of the costs and benefits.

Therefore, the AER considers that the information required by this Notice is reasonably necessary for the AER to perform its functions under chapter 6 of the NER.

APPENDIX E: PRINCIPLES AND REQUIREMENTS

1. GENERAL

- 1.1 The Regulatory Accounting Statements must:
- (a) be derived from the Statutory Accounts;
 - (b) be verifiable by reference to the Statutory Accounts;
 - (c) report the substance, over the form, of a transaction, taking into account all aspects, implications and expectations of and motivations for the transaction and that a group or series of transactions that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate;
 - (d) only include costs that are incurred in or relate to the provision of *standard control services*, *alternative control services*, *negotiated distribution services*, unregulated *distribution services* and metering services provided by Advanced Metering Infrastructure;
 - (e) be presented on a fair and consistent basis, from the accounting records that underlie its Regulatory Accounts, the costs, revenue, assets employed and liabilities that may be reasonably attributed to DNSP;
 - (f) in so far as is reasonably practicable, be prepared in accordance with the general rules and format, and use the accounting principles and policies applicable to the Statutory Accounts except as otherwise required by this Notice;
 - (g) be presented in an understandable manner, without sacrificing relevance or reliability;
 - (h) state fairly the financial position of DNSP;
 - (i) not be adjusted for inflation.
- 1.2 When DNSP must make an estimate because it cannot populate the input cell with actual information, DNSP must demonstrate that it has provided the best estimate it can. In its basis of preparation, DNSP must explain why it could not use actual information, how DNSP derived the estimate and why it is DNSP's best estimate.
- 1.3 For each variable filled in in a *regulatory template*:
- (a) Provide a Microsoft Excel workbook that reconciles and explains adjustments between the Statutory Accounts and the Regulatory Accounting Statements;
 - (b) explain from where the data was obtained (e.g. directly from DNSP's internal systems or audited statutory accounts)
 - (c) provide the source base spread sheet or model that the data was obtained from unless this is not practical. Data in source spread sheets or models should be directly linked to the relevant *variables* in the *regulatory template* unless this is not practical in which case *variables* should be clearly cross referenced to the relevant cell of the base spread sheet or model. The data is to also state all assumptions used for real input cost escalations.

- (d) explain the methodology DNSP applied to provide the requested data. This should include an explanation of how the data was derived from other sources where this was undertaken and any assumptions that were made in this process. This may be provided either in the *regulatory template*, or in the base spread sheet or model with a cross reference to the location of the explanation in the *regulatory template*.
- 1.4 Actual capital and operating expenditure must be reconciled to DNSP's statutory accounts. Where DNSP is not required to report its balance sheet in statutory accounts because it is part of a corporate group that reports this information at the corporate group level, DNSP must reconcile to the information reported at the corporate group level. Where reconciliation is at the corporate group level DNSP must:
- (a) allocate statutory reported expenditures to DNSP and indicate the method of allocation;
 - (b) show calculations for any allocation; and
 - (c) indicate where any changes in allocation method or calculations have occurred in relation to the historical data and how these changes have been adjusted for in the use of the data.
- 1.5 Where expenditure is reported multiple times across the *regulatory templates* this should be identified and netted off in the appropriate summary table in the *regulatory template* that most closely relates to DNSP's regulatory accounts (e.g. overhead operating expenditure also reported in the non-network *regulatory template* should be reconciled using the expenditure reported in the relevant overhead expenditure *regulatory templates*). For example, in identifying double-counted expenditure in the Non-network and Connections and Customer Driven Works *regulatory templates* there are two separate total amounts calculated for in each respective *regulatory template*:
- (a) total expenditure; and
 - (b) expenditure for reconciliation to total capex/opex.
- DNSP must use similar tables in other *regulatory templates* and add columns or rows to facilitate this reconciliation where appropriate.
- 1.6 All *historic opex* and *historic capex* provided to the AER in response to this Notice must be in nominal dollars, unless specified otherwise.
- 1.7 DNSP must provide any calculations used to convert real to nominal dollars for the purposes of providing the information required under clause 1.6 above.
- 1.8 Where any method of allocation under paragraph 3 changes through time this must be reported and the materiality of the change must be indicated in the basis of preparation.

2. BASIS OF PREPARATION

- 2.1 DNSP must explain, for all information in the category data (historic) *regulatory templates* the basis upon which DNSP prepared information to populate the input cells (basis of preparation).

- 2.2 The basis of preparation must be a separate document (or documents) that DNSP submits with its completed *regulatory templates*.
- 2.3 The basis of preparation must follow a logical structure that enables auditors, assurance practitioners and the AER to clearly understand how DNSP has complied with the requirements of this *Notice*.
- 2.4 At a minimum, the basis of preparation must:
- (a) demonstrate how the information provided is consistent with the requirements of the *Notice*;
 - (b) explain the source from which DNSP obtained the information provided;
 - (c) explain the methodology DNSP used to provide the required information, including any assumptions DNSP made; and
 - (d) explain circumstances where DNSP cannot provide input for a variable using actual information, and therefore must use an estimate:
 - (i) why an estimate was required, including why it was not possible for DNSP to use actual information;
 - (ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is DNSP's best estimate, given the information sought in the *Notice*.
- 2.5 For financial information (actual or estimated) the relevant basis of preparation must explain:
- (a) any instance where the information provided in response to the *Notice* does not comply with the financial reporting framework for that financial information
 - (b) why the information could not be presented in accordance with the financial reporting framework
 - (c) if accounting policies adopted by DNSP have materially changed during any of the regulatory years covered by the *Notice*:
 - (i) the nature of the change; and
 - (ii) the impact of the change on the information provided in response to the *Notice*.
- 2.6 DNSP may provide additional detail beyond the minimum requirements if DNSP considers it may assist a user to gain an understanding of the information presented in the *regulatory templates*.
- 2.7 When reporting an audit opinion or making an attestation report on the *regulatory templates* presented by DNSP, an auditor or assurance practitioner shall opine or attest by reference to DNSP's basis of preparation.

3. COST ALLOCATION

- 3.1 All costs that relate to or are incurred in the provision of *distribution services* in the Statutory Accounts must be allocated to DNSP in accordance with paragraph 3.2.

- 3.2 All costs allocated to DNSP in the response to paragraph 3.1 must be in turn allocated in accordance with paragraph 3.3 to:
- (a) a *standard control service*;
 - (b) an *alternative control service*;
 - (c) a *negotiated distribution service*;
 - (d) an unregulated *distribution service*; or
 - (e) a metering service provided by Advanced Metering Infrastructure.
- 3.3 A cost that is:
- (a) directly attributable to DNSP is to be allocated to DNSP;
 - (b) not directly attributable to DNSP is to be allocated to DNSP on a causation basis, unless the item is not material, using an appropriate allocator;
 - (c) directly attributable to DNSP but not directly attributable to a *standard control service*, an *alternative control service*, a *negotiated distribution service* or an unregulated *distribution service* or a metering service provided by Advanced Metering Infrastructure is to be allocated across *distribution services* in accordance with the *Cost Allocation Method*;
 - (d) a Fixed Asset is to be allocated to an Asset Category on a directly attributable basis or a causation basis using an appropriate allocator; and
 - (e) an Operating Cost or a Maintenance Cost is to be allocated to an Activity Area on a directly attributable basis or a causation basis using an appropriate allocator.

4. LABOUR COST INFORMATION

- 4.1 When providing information on *labour costs* in *regulatory templates 2.2 to 2.14*, and 4.1 to 4.4, the following instructions apply:
- (a) DNSP must complete all of the tables provided in each *regulatory template*.
 - (b) All *Labour Costs* reported in the given category of expenditure must be reported in the table relevant to each *capex category* and *opex category*.
 - (c) Labour used in the provision of contracts for both goods and services, other than contracts for the provision of labour (i.e. labour hire contracts) must not be reported in these tables. This labour does not fall within our definition of Labour Costs. However, Labour Costs associated with the management of contracts for the provision of goods and services must be reported in these tables.
 - (d) DNSP must, as a minimum, break down labour data (both employees and labour contracted through labour hire contracts) into appropriate Classification Levels that reflect their workforce and which reflect significant ordinary wage cost differences between workers across their workforce. DNSP must explain how they have grouped workers into Classification Levels.
 - (e) DNSP may group employees within similar employment levels and with similar ordinary wage costs for the purposes of defining a given Classification Level.

NSPs must explain how they have grouped workers for the purposes of defining a given Classification Level

- (f) Labour obtained through labour hire contracts must be reported separately on separate lines to employee based labour. DNSP may group labour obtained through labour hire contracts within similar employment levels with similar ordinary wage costs for the purpose of defining a given Classification Level.
- (g) The total cost of labour, and each sub component of Labour Costs in the tables must equal the Labour Costs associated with the expenditure category and reported in the expenditure *regulatory template*.
- (h) Quantities of labour, expenditure, or stand down periods should not be reported multiple times across tables except in the case where expenditure generally is reported multiple times (for example, this will be the case for opex reported in the non-network *regulatory template*). Any multiple reporting in the tables across *regulatory templates* should equal multiple reporting of expenditure across *regulatory templates*.
- (i) The ASLs for each Classification Level must reflect the ASLs for each Classification Level over the course of the year. DNSP may estimate this using a method they consider is not significantly biased.
- (j) 'Per ASL' values are average values per ASL in each Classification Level. For example, the total ordinary hours paid per ASL would equal the total payments for ordinary hours paid to the Classification Level divided by the number reported in Annual Totals – ASLs for the Classification Level (i.e. the number of ASLs in the Classification Level).
- (k) Stand down periods must be allocated to the expenditure area causing the Stand Down Period. For example, if a stand down period occurs due to emergency maintenance, that results in a worker starting a repex line work shift later than scheduled, the Stand Down Period should be reported in the emergency maintenance category.
- (l) DNSP must explain any assumptions or estimation made in order to complete the labour tables.

5. REPLACEMENT CAPITAL EXPENDITURE

5.1 General:

- (a) Complete tables 2.2.1 to 2.2.4 (in *regulatory template 2.2*) as per their respective instructions
- (b) The definitions of the specific items of information DNSP must provide for each table is contained in Appendix F.

5.2 Table 2.2.1 instructions:

- (a) DNSP must input the required information for each asset category by the relevant year as specified by the table.

- (b) In instances where DNSP wishes to provide asset sub-categories below those specified asset categories in table 1, DNSP must ensure that the expenditure and replacement / failures volumes of these sub-categories reconcile to the higher level asset category. DNSP is required to insert additional rows and provide a clear indication of the asset category applicable to each sub-category.
- (c) In instances where DNSP considers that asset group categories do not account for an asset DNSP's network, DNSP must insert additional rows below the relevant asset group to account for this. DNSP must provide the required data, applying a high level descriptor of the asset as the category name. This requirement is illustrated by the category assets titled "OTHER - PLEASE ADD A ROW AND SPECIFY".
- (d) DNSP must ensure that the sum of the individual asset categories, including any additional or sub-category expenditure reconciles to the total expenditure of the asset group.
- (e) DNSP must ensure that the sum of the asset group replacement expenditures reconciles to total replacement expenditure.
- (f) Where DNSP provides information in rows for total volumes only (for example, by "feeder type" or by "conductor length material type) it must explain how it has determined these volumes. This explanation should cover the process and assumptions used to allocate asset volumes to these aggregated metrics.

5.3 Table 2.2.2 instructions:

- (a) DNSP must input the total replacement expenditure for each asset group split by the groupings specified by the table.
- (b) DNSP must ensure that the sum of the asset group replacement expenditures reconciles to total replacement expenditure.

5.4 Table 2.2.3 instructions:

- (a) DNSP must input the total replacement internal labour costs split by the groupings specified by the table.
- (b) DNSP must ensure that the sum of the total replacement internal labour costs reconciles to total direct labour costs provided in Table 2.2.2.

5.5 Table 2.2.4 instructions:

- (a) DNSP must ensure that the total actual expenditure that this table auto-fills is correct.

6. ASSET AGE PROFILE

6.1 General:

- (a) Complete table 5.2.1 (in *regulatory template 5.2*) as per its respective instructions.
- (b) The definitions of the specific items of information DNSP must provide for this table is contained in Appendix F.

- (c) In instances where DNSP wishes to provide asset sub-categories in addition to the specified asset categories in table 5.2.1, DNSP is required to provide a weighted average asset life, including mean and standard deviation that reconciles to the specified asset category in accordance with the following formula:

$$\text{Standard life of asset category} = \sum_{i=1}^n \left(\left(\frac{\text{value of asset sub-category}_i}{\text{total value of asset category}} \right) \times \text{standard life of asset sub-category}_i \right)$$

where:

n is the number of sub-categories to reconcile with the asset category

asset values are determined by the asset category's contribution to the current replacement cost of the network. This being the most recent per unit cost of replacement for each asset, multiplied by the number of those assets in service and reported in the "asset age" schedule.

7. AUGEX PROJECT DATA

7.1 General instructions for *regulatory template 2.3*:

- (a) Complete tables 2.3.1 to 2.3.7 (on *regulatory template 2.3*) as per their respective instructions.
- (b) The instructions for each table contain definitions specific for each table. Appendix F contains definitions that are applicable to multiple tables within this tab.
- (c) DNSP must not include augmentation information relating to connections in this worksheet. Augmentations in relation to connections are to be inputted in the connections *regulatory templates* (tables 2.5.1 to 2.5.5).

7.2 Table 2.3.1 (on *regulatory template 2.3*) instructions:

- (a) For projects with a total cumulative expenditure over the life of the project of greater than or equal to \$5 million (real \$20xx):
 - (i) insert a row for each augmentation project on a subtransmission substation, switching station and zone substation owned and operated by DNSP undertaken at any time during the years specified in table 2.3.6 of *regulatory template 2.3*; and
 - (ii) input the required details.
- (b) For projects with a total cumulative expenditure over the life of the project less than \$5 million (real \$20xx) (non material projects):
 - (i) input the total expenditure for all non material augmentation projects on a subtransmission substation, switching station and zone substation owned and operated by DNSP undertaken in the years specified in table 2.3.6 of *regulatory template 2.3* in the penultimate line in the table, as indicated.

- (c) Record all expenditure data on an 'as commissioned' basis in real dollars as described above. Hence, DNSP must not include data for augmentation works commissioned after 30 June 2013 but incurs expenditure prior to this date.
- (d) For the avoidance of doubt, this includes augmentation works on any substation in DNSP 's network, including those which are notionally operating at transmission voltages. In such cases, choose 'Other - specify' in the 'Substation type' category and describe the type of substation in the 'Comments' section.
- (e) Each row must represent data for an augmentation project for an individual substation.
- (f) Where a substation augmentation project in this table is related to other projects (including those in other tables in *regulatory template 2.3*), describe this relationship in the 'Comments' column.
- (g) Where DNSP chooses 'Other - specify' in a drop down list, it must provide details in the 'Comments' column.
- (h) For 'Substation ID' and 'Project ID', input DNSP's identifier for the substation and project, respectively. This may be the substation/project name, location and/or code.
- (i) For substation voltages, enter voltages in the format xx/xx, reflecting the primary and secondary voltages. For example, a transformer may have its voltage recorded as 500/275, where 500kV is the primary voltage and 275kV is the secondary voltage.
 - (i) Where a tertiary voltage is applicable, enter voltages in the format xx/xx/xx. For example, a transformer may have its voltage recorded as 220/110/33, where 220kV, 110kV and 33kV are the primary, secondary and tertiary voltages, respectively.
- (j) For substation ratings, 'Pre' refers to the relevant characteristic prior to the augmentation work; 'Post' refers to the relevant characteristic after the augmentation work. Where a rating metric does not undergo any change, or where the project relates to the establishment of a new substation, input the metric only in the 'Post' column.
- (k) Unless otherwise indicated, 'Rating' and 'MVA added' refers to equipment's normal cyclic rating.
- (l) Under 'Total expenditure' for transformers, switchgear, capacitors, and other plant items, include only the procurement costs of the equipment. This must not include installation costs.
- (m) Insert additional rows as required.
- (n) Definitions: Other plant item
 - (i) All equipment involved in utilising or transmitting electrical energy that are not transformers, switchgear, or capacitors.

7.3 Table 2.3.2 (on *regulatory template 2.3*) instructions:

- (a) For projects with a total cumulative expenditure over the life of the project of greater than or equal to \$5 million (real \$20xx):
 - (i) insert a row for each augmentation project on a subtransmission line on DNSP's network undertaken at any time during the years specified in table 2.3.6 of *regulatory template 2.3*; and
 - (ii) input the required details.
- (b) For projects with a total cumulative expenditure over the life of the project less than \$5 million (real \$20xx) (non material projects):
 - (i) input the total expenditure for all non material augmentation projects on subtransmission lines owned and operated by DNSP undertaken in the years specified in table 2.3.6 of *regulatory template 2.3* in the penultimate line in the table, as indicated.
- (c) Record all expenditure data on an 'as commissioned' basis in real dollars as described above. Hence, DNSP must not include data for augmentation works commissioned after 30 June 2013 but incurs expenditure prior to this date.
- (d) For the avoidance of doubt, this includes augmentation works on any subtransmission line in DNSP's network. If DNSP owns and operates any lines notionally operating at transmission voltages, record any augmentation expenditure relating to such lines in this table.
- (e) Each row should represent data for an augmentation project for an individual circuit.
- (f) Where a subtransmission lines augmentation project in this table is related to other projects (including those in other tables in *regulatory template 2.3*), describe this relationship in the 'Comments' column.
- (g) Where DNSP chooses 'Other - specify' in a drop down list, provide details in the 'Comments' column.
- (h) For 'Line ID' and 'Project ID', input DNSP's identifier for the line and project, respectively. This may be the line/project name, location and/or code.
- (i) Where a project includes a number of project types, choose the primary project type and note other project types in the Comments column.
- (j) For line length metrics, 'km added' refers to the gross addition of the relevant line length measure resulting from the augmentation work.
 - (i) This must not be net of line removal. If the augmentation project includes line removal, describe the amount in the 'Comments' column.
- (k) Under 'Total expenditure' for poles/towers, include the procurement costs of the equipment and civil works. This must not include installation costs.
- (l) Under 'Total expenditure' for overhead cables and underground cables, respectively, include only the procurement costs of the equipment. This must not include installation costs.

- (m) Under 'Total expenditure' for civil works, do not include civil works expenditure related to poles and towers.
- (n) Insert additional rows as required.
- (o) Definitions: Other plant item
 - (i) All equipment involved in utilising or transmitting electrical energy that are not poles/towers (including pole top or tower structures), overhead cables or underground cables.

7.4 Table 2.3.3 (on *regulatory template 2.3*) instructions:

- (a) Complete the table by inputting the required details for:
 - (i) the row that summarises all augmentation works on HV feeders owned and operated by DNSP undertaken at any time during the years specified in table 2.3.6 of *regulatory template 2.3*; and
- (b) Record all expenditure data on an 'as commissioned' basis in real dollars as described above. Hence, DNSP must not include data for augmentation works commissioned after 30 June 2013 but incurs expenditure prior to this date.

7.5 Table 2.3.4 (on *regulatory template 2.3*) instructions:

- (a) Complete the table by inputting the required details for:
 - (i) the row that summarises all augmentation works on distribution substations owned and operated by DNSP undertaken at any time during the years specified in table 2.3.6 of *regulatory template 2.3*; and
- (b) 'MVA added' refers to equipment's *normal cyclic* rating.
- (c) Record all expenditure data on an 'as commissioned' basis in real dollars as described above. Hence, DNSP must not include data for augmentation works commissioned after 30 June 2013 but incurs expenditure prior to this date.

7.6 Table 2.3.5 (on *regulatory template 2.3*) instructions:

- (a) Complete the table by inputting the required details for:
 - (i) the row that summarises all augmentation works on LV feeders owned and operated by DNSP undertaken at any time during the years specified in table 2.3.6 of *regulatory template 2.3*; and
- (b) Record all expenditure data on an 'as commissioned' basis in real dollars as described above. Hence, DNSP must not include data for augmentation works commissioned after 30 June 2013 but incurs expenditure prior to this date.

7.7 Table 2.3.6 instructions:

- (a) DNSP must input the total augmentation expenditure for each asset group split by the groupings specified by the table.
- (b) DNSP must explain how the sum of the asset group augmentation expenditures reconciles to the augmentation expenditure in tables 2.3.1 to 2.3.5.

7.8 Table 2.3.7 instructions:

- (a) DNSP must input the total augmentation internal labour costs split by the groupings specified by the table.
- (b) DNSP must explain how the sum of the total augmentation internal labour costs reconciles to total direct labour costs provided in tables 2.3.1 to 2.3.5.

8. DEMAND

Network level (*regulatory template 5.3*)

- 8.1 Input maximum demand information at the network level.
- 8.2 Where maximum demand in MVA occurred at a different time to maximum demand in MW, DNSP must enter maximum demand figures for both measures at the time maximum demand in MVA occurred.
- 8.3 If either the MW or MVA measure is unavailable, calculate the power factor conversion as an approximation based on best engineering estimates.

Spatial (*regulatory template 5.4*)

- 8.4 In tables 5.4.1 to 5.4.4 (*on regulatory template 5.4*), DNSP must input maximum demand information for the indicated network segments.
- 8.5 DNSP must insert rows into the tables for each component of its network belonging to that segment.
- 8.6 If DNSP uses other levels of spatial demand information to derive its expenditure forecasts, it should provide such spatial demand information in separate tables as indicated by table 5.4.5 (*on regulatory template 5.4*).
- 8.7 Where maximum demand in MVA occurred at a different time to maximum demand in MW, DNSP must enter maximum demand figures for both measures at the time maximum demand in MVA occurred.
- 8.8 If either the MW or MVA measure is unavailable, calculate the power factor conversion as an approximation based on best engineering estimates.
- 8.9 DNSP must input the rating for each element in each network segment. For the tables in this worksheet, rating refers to normal cyclic rating.
- 8.10 DNSP must enter figures only in yellow-shaded cells.
- 8.11 Tables requesting system coincident data are referring to the demand at that particular point on the network (e.g. zone substations) at the time of system (or network) peak.
 - (a) For example, table 5.4.3(b) (*on regulatory template 5.4*) requests information about the maximum demand on zone substations at the time of system or network peak.
 - (b) Conversely, non coincident data is the maximum demand at a particular point on the network (which may not necessarily coincide with the time of system peak). For example, table 5.4.3(a) (*on regulatory template 5.4*) requests information about non-coincident raw maximum demand at zone substations. In table 5.4.3(a) (*on regulatory template 5.4*), DNSP must provide information about the

maximum demand at each zone substation in each year, which may not correspond to demand at the time of system peak.

8.12 Note on 'Adjustments':

- (a) This data is intended to account for components of the load on DNSP's network that may bias demand forecasts if not properly accounted for.
- (b) For example, it is common practice for large direct connect customers to provide their own demand forecasts for assessment. It is therefore common practice to exclude such customers from demand forecasting to avoid double counting.

9. CONNECTIONS

- 9.1 Report expenditure data as a gross figure. Do not net for customer contributions.
- 9.2 Use the drop down boxes to indicate whether expenditure is for capex or opex, and for standard control services and alternative control services. Where DNSP provides both types of expenditure, both types of services, and combinations thereof, insert more tables to accommodate this.
- 9.3 For line length metrics, 'km added' refers to the gross addition of the relevant line length measure resulting from the augmentation work.

10. NON-NETWORK EXPENDITURE (template 2.14)

- 10.1 Identify key volume/cost drivers and report metrics for these and their relationship to historical expenditure. Add columns as required to report volume/cost drivers.
- 10.2 Enter the volume measure most material to the direct costs reported in the leftmost volume/cost driver column in the *regulatory template*. Add the next most material volume/cost driver immediately to the right of this column and so on. Add columns for additional volume/cost drivers as required.
- 10.3 Insert an explanation of expenditure and volume/cost drivers. This explanation must be sufficient to allow a lay reader to understand:
 - (a) the nature of the metric; and
 - (b) the relationship of the metric to expenditure.
- 10.4 Where volume/cost drivers are identified, for example number of devices, report quantitative measures relating the volume/cost driver to cost.
- 10.5 If expenditure is directly attributable to an expenditure category in this *regulatory template* (except for some Other Non-network Expenditure discussed below), it is a Direct Cost. Report all Direct Costs (both opex and capex) irrespective of whether a Direct Cost is a Corporate Overhead, or a Network Overhead. This will result in multiple reporting of all opex overheads reported in this *regulatory template* (e.g. vehicle operating costs).
- 10.6 Report Direct Costs in only one Direct Cost expenditure category. For example, if DNSP records Direct Costs against Motor Vehicle Expenditure, do not also record the same costs in Connection Expenditure.

Volume/cost driver information hypothetical examples

10.7 The hypothetical examples below for Motor Vehicle Expenditure show the required level and type of volume/cost driver information and explanation for each category of expenditure in the Non-network regulatory template. As noted above, in addition to the level of information below, we require DNSP to report the quantitative volume cost relationships. We have deliberately not specified the volume/cost drivers. DNSP must report the volume/cost drivers it considers most closely relate to its expenditure.

Motor Vehicle hypothetical volume/cost driver examples:

- (a) In relation to opex where all motor vehicles are purchased, the key volume/cost driver metrics may be the number of motor vehicles in the fleet (explaining fixed operating expenditure per vehicle per annum), the kilometres travelled per motor vehicle in the fleet (explaining variable operating expenditure per motor vehicle per annum) and the fleet kilometres travelled (explaining the number of vehicles required).
- (b) In relation to opex where all motor vehicles are leased, the key volume/cost driver metrics may be the number of motor vehicles in the fleet, the kilometres travelled per motor vehicle in the fleet and the fleet kilometres travelled.
- (c) In relation to opex where some motor vehicles are purchased and some motor vehicles are leased, the key volume/cost driver metrics may be the number of motor vehicles leased (explaining fixed lease expenditure per leased vehicle per annum), the number of motor vehicles in the fleet (explaining fixed operating expenditure per vehicle per annum), the kilometres travelled per motor vehicle in the fleet (explaining variable operating expenditure per motor vehicle per annum) and the fleet kilometres travelled (explaining the number of vehicles required).
- (d) In relation to capex purchases, the key volume/cost driver metric may be the number of motor vehicles purchased (with the average cost per motor vehicle likely explaining the cost driver relationship) and the fleet kilometres travelled (explaining the number of vehicles required)
- (e) In relationship to capex disposals, the key volume/cost driver metric may be the number of motor vehicles disposed of (with the average sale disposal value per vehicle, average age and average kms on sale likely explaining the disposal value driver relationship) and the number of fleet kilometres travelled (explaining the number of vehicles requiring replacement).

10.8 Explain, both qualitatively and quantitatively, the relationship between expenditure and the volume/cost drivers DNSP identifies as key volume/cost drivers in the relevant columns of the *regulatory template*. This must include an estimate of the quantitative relationship.

10.9 Report if there is any overlap between existing Variables requested in the *regulatory template* (e.g. kilometres travelled per vehicles) and the drivers DNSP considers drives costs as reported in clause 10.8; the drivers should still be reported in the volume/cost driver columns (i.e. in both places).

10.10 Where a requested value is not constant across a year, calculate an approximate simple average based on the different values over the year and the period for which

the different values applied. For example, if DNSP had 12 vehicles for 8 months and 14 vehicles for 4 months, the average vehicles in the class over the year would be $12*(8/12) + 14*(4/12) = 12.67$ vehicles.

10.11 Insert additional rows and columns as required to follow the above instructions (e.g. to add volume/cost drivers, or for the purposes of reconciliation).

10.12 Add additional columns and rows to disaggregate cost categories as DNSP considers required. However, such disaggregated expenditure data must sum up to the expenditure level we require reported in the *regulatory template*.

10.13 If DNSP has incurred \$1,000,000 or more (nominal dollars) in capital expenditure over the last five regulatory years for which regulatory accounts have been lodged with the AER for a class of assets, report, for that class of assets:

(a) all historical capital expenditure;

(b) operating expenditure; and

in Other Non-Network Expenditure.

10.14 If DNSP has incurred less than \$1,000,000 (nominal dollars) in capital expenditure over the last five regulatory years for which regulatory accounts have been lodged with the AER for a class of assets:

(a) report only historic capital expenditure for that class of assets in *Other Non-Network Expenditure*; and

(b) only record operating expenditure in the relevant operating expenditure category *regulatory template*.

11. MAINTENANCE EXPENDITURE (template 2.7)

11.1 Indicate, in the basis of preparation, how internal expenditure categories are mapped to those in the *regulatory templates*.

11.2 Report expenditure using the Maintenance expenditure subcategories used for the most recent annual reporting RINs. Report these in the *regulatory templates* as subcategories under either Routine Maintenance or Non-Routine Maintenance.

11.3 Do not include allocated overheads/ shared costs in expenditure data. Expenditure data is for Direct Costs only.

11.4 For expenditure incurred for the simultaneous inspection of assets and vegetation, report this expenditure under Maintenance, not Vegetation Management.

11.5 Add additional rows and columns as required.

12. VEGETATION MANAGEMENT EXPENDITURE

Nomination of vegetation management zones

12.1 Identify one or more *vegetation management zones* across the geographical area of DNSP's network. To do so consider:

- (a) areas where bushfire mitigation costs are imposed by legislation, regulation or ministerial order; and
 - (b) areas of the network where other recognised drivers affect the costs of performing *vegetation management* work.
- 12.2 Each contiguous area nominated by DNSP as a *vegetation management zone*.
- 12.3 Accordingly, each part of the network will be covered by one *vegetation management zone* (only).
- 12.4 Provide, on separate A4 sheets, maps showing:
- (a) each vegetation management zone; and
 - (b) the total network area with the borders of each *vegetation management zone*.
- 12.5 Fill in tables in 2.6.1 to 2.6.6 (on *regulatory template 2.6*) for each *vegetation management zone*, adding additional tables where required.
- 12.6 To add a *vegetation management zone* on *regulatory template 2.6*, insert the tables contained within the box for the first *vegetation management zone* to the right of the first *vegetation management zone*.

Regulatory requirements table

- 12.7 For each *vegetation management zone* identified in 12.1 above:
- (a) prepare in table 2.6.1 (on *regulatory template 2.6*), a list of regulations that impose a material cost on performing *vegetation management* works (including, but is not limited to, bushfire mitigation regulations); and
 - (b) prepare in table 2.6.2 (on *regulatory template 2.6*), a list of self-imposed standards from DNSP's *vegetation management* program which apply to that zone.
- 12.8 Explain the cost impact of regulations on performing *vegetation management* work. This explanation can be part of the list of regulations or a separate document).
- 12.9 Fill out this table once for each nominated *vegetation management zone*.

Vegetation management metrics table

- 12.10 In table 2.6.3 (on *regulatory template 2.6*), report the requested vegetation management metrics in accordance with the categories and definitions provided.
- 12.11 If DNSP records poles rather than spans, the number of spans is the number of poles less one.
- 12.12 If DNSP does not record the average number of trees per *maintenance span*, estimate this variable using one or a combination of the following data sources:
- (a) Encroachment *defects* (e.g. identified by ground or aerial inspections, or LiDAR) and/or records of vegetation works scoping, or GIS vegetation density data;
 - (b) Field surveys using a sample of *maintenance spans* within each vegetation management zone to assess the number of mature trees within the maintenance

corridor. Sampling must provide a reasonable estimate and consider the nature of *maintenance spans* in *urban* versus *rural* environments in determining reasonable sample sizes.

- (c) Vegetation data such as:
 - (i) the Normalised Difference Vegetation Index (NDVI) and maps available from the Bureau of Meteorology (BOM);
 - (ii) data from the National Vegetation Information System (VIS data) overlaid on network GIS data to assess the density of vegetation in the direct vicinity of the maintenance spans; or
 - (iii) similar data from other sources such as Geoscience Australia or commercial suppliers of satellite imagery overlaid on network GIS data records.
- (d) Any other data source based on expert advice.
- (e) If the figure DNSP produced for average number of trees per *maintenance span* in 12.12 above was estimated, explain how the figure was estimated.

12.13 If DNSP performs *vegetation management* work on multiple *cutting cycles* in *urban*, *rural* or *sub-transmission* areas within its nominated *vegetation management zones*, provide a simple average of all the *cutting cycles* in the relevant area.

Vegetation management costs table

12.14 In table 2.6.4 (on *regulatory template 2.6*), report *vegetation management* work costs performed in accordance with the categories and definitions provided.

12.15 If *hazard tree* clearance costs are not recorded separately, include these costs within tree trimming costs.

12.16 If *ground clearance* work costs are not recorded separately, include these costs within tree trimming costs.

12.17 Do not include the costs of inspections unless an *inspection* was performed solely for the purpose of assessing vegetation. Include *inspection* costs for inspections with additional purposes to assessing vegetation under maintenance (*regulatory template 2.7*).

12.18 If auditing *vegetation management* work costs are not recorded separately, include these costs within *inspection* costs.

Other cost categories table

12.19 Annual *vegetation management* costs across all categories and zones must sum up to the total *vegetation management* expenditure each year. In table 2.6.5 (on *regulatory template 2.6*), add any other costs not requested in any other part of *regulatory template 2.6* in DNSP's estimate of total annual *vegetation management* costs.

Vegetation management input and contract costs – breakdown table

12.20 In table 2.6.6 (on *regulatory template 2.6*), report *vegetation management* input and contract costs in accordance with the categories and definitions provided.

Total vegetation management – internal labour costs table

12.21 Fill out table 2.6.7 (on *regulatory template 2.6*) once for overall *vegetation management* internal labour costs. This table should not be split out by each nominated *vegetation management zone*.

13. EMERGENCY RESPONSE EXPENDITURE

13.1 Indicate, in the basis of preparation, how internal expenditure categories are mapped to those in the regulatory templates.

14. OVERHEADS EXPENDITURE

14.1 Ensure expenditure on items:

- (a) is consistent with DNSP's cost allocation method and capitalisation policy
- (b) reconciles to DNSP's regulatory accounts and statutory accounts.

14.2 Set out any additional working calculations used to derive data that are allocated into particular columns in:

- (a) the basis of preparation; and/or
- (b) supporting worksheets.

14.3 Continue using the expenditure subcategories—other than maintenance, emergency response or vegetation management—used for the most recent annual reporting RINs. However, report expenditure under either Network Overhead or Corporate Overhead.

14.4 If DNSP currently reports Network Operating cost in its annual RIN as one line item only, it must disaggregate this into either Network Management, Network Planning, and Network Control and Operational Switching Personnel (overhead categories).

14.5 Do not count expenditure in overhead categories in other regulatory templates for the purposes of reconciliation. For example, overhead opex recorded here and in the non-network regulatory template must reconcile using only the data in this regulatory template.

14.6 If there is any overhead expenditure that is capitalised:

- (a) indicate the value of overhead expenditure that is capitalised;
- (b) indicate why it is capitalised;
- (c) re-cast historical expenditure (if capitalisation policy changes during a regulatory period); and
- (d) explain how the change affects historical data on which the AER relies for expenditure category analysis.

14.7 Add additional rows or columns as required.

15. CUSTOMER CONTRIBUTIONS

15.1 Customer contributions treated as revenues in the Statutory Accounts and are included in the value of assets:

- (a) must not be carried forward into the Regulatory Accounts; and
- (b) the asset value must remove all customer contributions from the *regulatory asset base*.

16. FEE BASED AND QUOTED ALTERNATIVE CONTROL SERVICES

16.1 Report expenditure data as a gross figure. Do not net for customer contributions.

16.2 Use the drop down boxes to indicate whether expenditure is for capex or opex, and for standard control services and alternative control services. Where DNSP provides both types of expenditure, both types of services, and combinations thereof, insert more tables to accommodate this.

17. METERING ALTERNATIVE CONTROL SERVICES

17.1 Use the drop down boxes to indicate whether expenditure is for capex or opex, and for standard control services and alternative control services. Where DNSP provides both types of expenditure, both types of services, and combinations thereof, insert more tables to accommodate this.

18. PUBLIC LIGHTING ALTERNATIVE CONTROL SERVICES

18.1 Use the drop down boxes to indicate whether expenditure is for capex or opex, and for standard control services and alternative control services. Where DNSP provides both types of expenditure, both types of services, and combinations thereof, insert more tables to accommodate this.

19. REGULATORY ACCOUNTING PRINCIPLES AND POLICIES

19.1 The Regulatory Accounting Principles and Policies must:

- (a) be based on a recognisable and rational economic basis;
- (b) ensure that the resultant financial information satisfies the concepts of relevance and reliability;
- (c) ensure that the substance of the underlying transactions and events is reported in the Regulatory Accounting Statements;
- (d) ensure that the Regulatory Accounting Statements can be understood;
- (e) allow for comparisons to be made over time; and
- (f) conform to the recognition and measurement principles of the Australian Accounting Standards.

APPENDIX F: DEFINITIONS

Term	Definition
<i>Actual Capex</i>	The actual capital expenditure incurred during the Initial Regulatory Years
<i>Actual Information</i>	<p>Information presented in response to the Notice whose presentation is Materially dependent on information recorded in DNSP's historical accounting records or other records used in the normal course of business, and whose presentation for the purposes of the Notice is not contingent on judgments and assumptions for which there are valid alternatives, which could lead to a Materially different presentation in the response to the Notice.</p> <p>'Accounting records' include trial balances, the general ledger, subsidiary accounting ledgers, journal entries and documentation to support journal entries. Actual financial information may include accounting estimates, such as accruals and provisions, and any adjustments made to the accounting records to populate ActewAGL Distribution's regulatory accounts and responses to the Notice. 'Records used in the normal course of business', for the purposes of non-financial information, includes asset registers, geographical information systems, outage analysis systems, and so on.</p>
<i>Actual operating expenditure</i>	The actual operating and maintenance expenditure incurred during the Initial Regulatory Years
<i>AER</i>	The Australian Energy Regulator, which is established by section 44AE of the <i>Competition and Consumer Act 2010</i> (Cth) (as defined in the NER).
<i>alternative control service</i>	A distribution service that is a direct control service but not a standard control service (as defined in the NER).
<i>Annual totals - ASLs</i>	The number of full-time equivalent employees receiving salary or wages (Paid FTE) by the organisation in a given Classification level averaged over the financial year.
<i>Annual totals – total labour costs</i>	The total Labour cost associated with all ASLs in a given Classification level.
<i>Annual totals - average paid hours not worked.</i>	The average paid hours for the year per ASL in each Classification level that are not worked (e.g. sick leave, holiday leave, long service leave).
<i>Annual ordinary time hours costs - total paid hours per ASL</i>	The average paid hours per year per ASL in each Classification level that are Labour costs – ordinary time earnings and includes hours paid that are not worked (e.g. sick leave, holiday leave, long service leave).
<i>Annual ordinary time hours costs - average hourly rate per ASL</i>	<p>The year's average hourly rate per ASL for each Classification level including labour costs that are direct on costs related to Labour costs – ordinary time earnings. NSP should indicate what costs are included in each category (1) to (3) directly below. The average hourly wage rate for each year should be calculated by reference to the average number of hours paid as Labour costs – ordinary time earnings for each year and includes costs that are:</p> <ol style="list-style-type: none"> 1. Ordinary time salaries and wages in the year 2. Labour costs – other earnings, on costs, and taxes that are directly related to ordinary time salaries and wages in the year but excluding allowances (shift allowances, meals allowances, site allowances etc.) which are to be captured separately below. 3. Labour costs – super that are directly related to ordinary time salaries and wages in the year.
<i>Annual overtime hours costs - total paid hours per ASL</i>	<p>The average overtime hours for the year paid per FTE for each Classification level per year. Overtime hours are hours where the employee receives more per hour than their ordinary time wages.</p> <p>Note: average overtime hours paid in year X for a given ASL plus average ordinary hours paid in year X should equal average total hours paid in year X.</p>
<i>Annual overtime hours costs -</i>	The year's average hourly rate per ASL for each Classification level including labour costs that

<i>average hourly rate per ASL</i>	<p>are direct on costs related to working overtime hours. NSPs should indicate what costs are included in each category (1) to (3) directly below. The average hourly wage rate should be calculated by reference to the average number of hours paid as overtime and includes costs that are:</p> <ol style="list-style-type: none"> 1. Overtime salaries and wages in the year 2. Labour costs – other earnings, on costs, and taxes that are directly related to overtime salaries and wages in the year but excluding allowances (e.g. shift allowances, meals allowances, site allowances etc.) which are to be captured separately below. 3. Labour costs – super that are directly related to overtime salaries and wages in the year
<i>Annual allowances - total per ASL</i>	The average allowances paid over the year per ASL in each Classification Level (shift allowances, meal allowances, site allowances etc.)
<i>Annual other costs – total per ASL</i>	The average other costs that are Labour costs – other earnings, on costs and taxes that the businesses does not consider are direct on costs paid over the year per ASL in each Classification level.
<i>Annual stand down occurrences – total per ASL</i>	The average number of Stand Down Periods per ASL in each Classification level over the year
<i>Apportionment</i>	The allocation of unregulated revenues reflecting the proportionate use of the shared asset, in line with the AER's Shared Asset Guideline.
<i>ASL</i>	Average Staffing Level
<i>Asset</i>	A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity
<i>Asset failure</i>	<p>A breakdown of an asset, or the inability to use the asset, whilst in service</p> <p>A known instance in which an asset did not perform as intended, and the asset's poor performance is not due to:</p> <ul style="list-style-type: none"> • extreme or atypical weather events; or • third party interference, such as traffic accidents and vandalism; or • wildlife interference; or • vegetation interference. <p>Excludes planned interruptions.</p>
<i>Asset strategy (network overhead)</i>	Includes all costs associated with the development and maintenance of strategies for the ongoing management of network assets. It excludes network planning strategy development and maintenance that is part of the <i>Network Planning</i> function, as well as network operational strategy development and maintenance that is part of the <i>Network Control</i> function.
<i>Audit</i>	A service where the auditor's objective is to provide a high level of assurance through: the issue of a positive expression of an opinion that enhances the credibility of a written assertion(s) about an accountability matter ("attest audit"); or the provision of relevant and reliable information and a positive expression of opinion about an accountability matter where the party responsible for the matter does not make a written assertion(s) ("direct reporting audit").
<i>Audit (vegetation management)</i>	Auditing of vegetation that occurs following a period of vegetation maintenance work.
<i>audit report</i>	A report provided by an auditor for an audit engagement, prepared in accordance with Australian Auditing Standards.
<i>Audited statutory accounts</i>	The audited set of accounts prepared in accordance with Australian Securities and Investments

	Commission (ASIC) requirements.
<i>auditor</i>	The person with final responsibility for the audit or audit related service engagement that is independent from the entity, appointed to express an opinion on an accountability matter
<i>Augex model</i>	The model described in the handbook located here: http://www.aer.gov.au/sites/default/files/AER%20guide%20to%20the%20augex%20model%20-%20revised%20November%202013.DOCX
<i>Augmentation</i>	Has the meaning prescribed in the National Electricity Rules, and also includes work relating to improving the quality of the network, for example, to meet regulatory obligations.
<i>Average</i>	An arithmetic (simple) average unless a weighted average is specified.
<i>Average unit cost (public lighting)</i>	The simple average cost for public lighting services per light type.
<i>Basis of Preparation</i>	The basis upon which DNSP prepared information to populate the input cells in the Microsoft Excel workbook attached at Appendix A
<i>Block load</i>	An identified step change in demand, either positive or negative, attributable to a specific project or customer.
<i>Bulk supply point</i>	A facility containing at least one connection point between the distribution network and a transmission network service provider.
<i>Cable</i>	See 'underground cables'.
<i>Capex</i>	Capital expenditure
<i>Capex Category</i>	Means capital expenditure associated with the following categories: <ul style="list-style-type: none"> • Augmentation Capital expenditure; • Capitalised Overheads; • Connections Capital expenditure; • Non-Network—IT & Communications Expenditure; • Non-Network—Buildings and Property Expenditure; • Non-Network—Motor Vehicles Expenditure; or • Non-Network—Other Expenditure. • Replacement Capital expenditure • SCADA & Network Control Expenditure.
<i>Capitalisation</i>	The recognition of expenditure as part of the cost of an asset, i.e. as capital expenditure
<i>Capitalised Overheads</i>	Overhead expenditure recognised as part of the cost of an asset, i.e. as capital expenditure.
<i>Car</i>	Cars are Motor Vehicles other than those that comply with the definition of Light commercial vehicle, Heavy commercial vehicle, Elevated work platform (LCV) or Elevated work platform (HCV).
<i>CBD</i>	In the context of capex and opex data, and related volume/ non-financial variables, refers to costs and works on a <i>CBD feeder</i> and all assets downstream of that feeder.
<i>CBD feeder</i>	Has the meaning described in the <i>Service Target Performance Incentive Scheme</i> .
<i>Circuit line length</i>	The length (measured in kilometres) of lines in service (the total length of feeders including all spurs) where each SWER line, single-phase line, and three-phase line counts as one line. A double circuit line counts as twice the length. Length does not take into account vertical components such as sag.

	The length of service lines is not to be included in the route line length.
<i>Civil works</i>	The construction and/or installation of the infrastructure which will house or provide supporting foundations for electrical cables and equipment. It includes buildings, earthworks, foundations, access roads, as well as support structures not included in any other category.
<i>Classification level</i>	The breakdown of ASLs by classification levels within the organisation. (e.g. DNSP might have network classifications such as supervisor, linesman, apprentice, and non-network levels such as senior manager, manager, professional engineer, and administration)
<i>Coincidence factor</i>	The ratio of demand at a network segment at the time of system wide maximum demand to demand at the same network segment at its maximum. A coincidence factor can take a value between 0 and 1.
<i>Coincident maximum demand</i>	The load on the specified network segment at the time during which the network was experiencing its maximum demand for the relevant regulatory year.
<i>Commercial/Industrial customer connection</i>	A commercial and industrial customer connection relates to connecting any customer who is not a residential or unmetered customer.
<i>Common fee-based services</i>	Those fee-based services which are provided by all DNSPs, including: <ul style="list-style-type: none"> • Energisation • De-energisation • Re-energisation
<i>Complex commercial/industrial connection high voltage (customer connected at LV, minor HV works)</i>	Multi-phase customer connection service at LV which are not simple connections and, as an example, may involve the following: <ul style="list-style-type: none"> • the installation of a distribution substation (pole mounted, ground types, or indoor types); • overhead and/or underground HV feeder extension or augmentation associated with the connection of the substation but excluding major feeder extensions or augmentation; • installation of LV mains associated with the new substation.
<i>Complex commercial/industrial connection high voltage (customer connected at LV, major HV works – ie. upstream asset works)</i>	Multi-phase customer connections which are not simple connections or Complex type connection high voltage and, as an example, may involve the following: <ul style="list-style-type: none"> • large extension or augmentation, overhead and/or underground, of the HV feeder; • installation of a distribution substation (pole mounted, ground types or indoor types). <p>Note: Upstream shared asset alterations expected to be required. This also includes the reconfiguration of HV network assets as a result of specific requests for connection.</p>
<i>Complex commercial/industrial connection high voltage – connecting HV customers</i>	Multi-phase customer connections where the customer is supplied at HV and, as an example, may include the following: <p>large extension or augmentations of the HV feeders;</p> <p>installation of a high voltage switching station or switch room.</p>
<i>Complex commercial/industrial connection sub-transmission</i>	Multi-phase customer connections where the customer is connected via feeders operating between 33kV and 132kV inclusive and, as an example, may include any of the following: <ul style="list-style-type: none"> • extension or augmentation of the Sub-transmission network; • installation of switching stations, switch rooms or similar facilities.
<i>Complex embedded generation connection high voltage – small capacity</i>	Multi-phase customer connection which are not simple connections and, as an example, may involve the following: <ul style="list-style-type: none"> • large extension or augmentation, overhead and/or underground, of the distribution HV/LV feeders;

	<ul style="list-style-type: none"> • installation of a distribution substation (Pole mounted, ground types or indoor types).
<i>Complex embedded generation connection high voltage – large capacity</i>	<p>Multi-phase customer connection which are not simple connections and, as an example, may involve the following:</p> <ul style="list-style-type: none"> • extension or augmentation of HV or sub transmission feeders; • installation of switching stations, switch rooms or similar facilities.
<i>Complex residential connection low voltage</i>	<p>Single/multi-phase customer connection services which are not simple customer connections and, as an example, may involve the following:</p> <ul style="list-style-type: none"> • greater than one span of overhead service wire • extension or augmentation of the LV feeder, overhead and/or underground; • road crossing (overhead or underground). • Notes: This also includes the reconfiguration of LV network assets (not including any HV asset works) as a result of specific requests for connection specifications.
<i>Complex residential connection high voltage</i>	<p>Single/multi-phase customer connection services which are not simple customer connections or complex type low voltage connections and, as an example, may involve the following:</p> <ul style="list-style-type: none"> • extension or augmentation of the HV feeder, overhead and/or underground; • installation of a distribution substation (pole mounted, ground types); • extension or augmentation of the LV feeder, overhead and/or underground; • greater than one span of overhead service wire; • road crossing (overhead or underground). <p>Note: This also includes the reconfiguration of HV network assets (not including any LV asset works) as a result of specific requests for connection.</p>
<i>Complex subdivision connection low voltage</i>	<p>Single/multi-phase customer connection and, as an example, may include the following:</p> <ul style="list-style-type: none"> • extension or augmentation of overhead or underground LV feeders including road crossings.
<i>Complex subdivision connection high voltage (no upstream asset works)</i>	<p>Multi-phase customer connection which are not simple connections and, as an example, may include the following:</p> <ul style="list-style-type: none"> • extension or augmentation of HV feeders; • installation of one or more distribution substations; • installation of LV mains. <p>Notes: Each subsequent connection of a residential premises within a new estate will be treated as a connection. The subdivision category excludes civil works (that is, the cost of trenching, excavation, backfilling or re-instatement within the subdivision development).</p>
<i>Complex subdivision connection high voltage (with upstream asset works)</i>	<p>Multi-phase customer connections which are not simple connections and, as an example, may involve the following:</p> <ul style="list-style-type: none"> • extension or augmentation of HV feeders including major upstream works; • installation of one or more distribution substations; • installation of LV mains <p>Notes: This category is intended to capture the cost of developing the network to serve new estates and possible upstream shared asset alterations that may be required. Each subsequent connection of residential premises within a new estate will be treated as a simple connection. The subdivision category excludes civil works (that is, the cost of trenching, excavation, backfilling or re-instatement within the subdivision development).</p>
<i>Connection</i>	Has the meaning prescribed in the National Electricity Rules.

<i>Connection point</i>	Has the meaning prescribed in the National Electricity Rules.
<i>Contract</i>	An agreement between two or more parties that has clear economic consequences that the parties have little discretion to avoid, usually because the agreement is enforceable at law. A contract may take a variety of forms and need not be in writing. For the purpose of this Notice, Contract includes any contract, arrangement or understanding between DNSP and the contractor.
<i>Contractor</i>	An outside agent employed by DNSP to perform a specific task rather than DNSP performing the same task in-house, in accordance with a contract entered into with DNSP usually following a competitive process for the awarding of the right to enter into that contract. A contractor can be either a related party or a non-related party to DNSP.
<i>Contributions</i>	Payments from unrelated parties provided to DNSP in relation to the provision of connection or augmentation activities (net of standard service charges).
<i>Corporate Overheads</i>	<p><i>Corporate Overhead</i> costs refer to the provision of corporate support and management services by the corporate office that cannot be directly identified with specific operational activity.</p> <p>Corporate overhead costs typically include those for executive management, legal and secretariat, human resources, finance, and other corporate head office activities or departments.</p>
<i>Cost per subdivision lot</i>	Total cost of reticulation to the area (excluding the cost of connecting new premises within in the estate) divided by the number of lots within the new estate.
<i>Customer</i>	Has the meaning prescribed in the National Electricity Rules.
<i>Customer complaint</i>	A written or verbal expression of dissatisfaction about an action, or failure to act, or in respect of a product or service offered or provided by an electricity network distributor.
<i>Customer Initiated Capex</i>	Means capital expenditure, excluding attributed capitalised overheads and before any associated customer contributions, resulting directly from the connection of new customer connections to the distribution network, or changes to existing customer connections.
<i>Customer Installation Faults</i>	A fault caused by the failure of the customer's service fuse for no apparent reason or due to overloaded circuits.
<i>Cutting cycle</i>	The average planned number of years (including fractions of years) between which cyclic vegetation maintenance is performed within urban areas, rural areas, and vegetation management zones.
<i>De-energisation</i>	The opening of a connection in order to prevent the flow of energy to the premises.
<i>Defect (vegetation management)</i>	A Defect is any recorded incidence of noncompliance with a NSP's vegetation clearance standard. This also includes vegetation outside a NSP's standard clearance zone that is recognised as hazardous vegetation and which would normally be reported as requiring management under the NSPs Inspection practices.
<i>Demand management</i>	'DMIA' means the Demand Management Innovation Allowance determined by the Australian Energy Regulator as part of any applicable Demand Management Incentive Scheme.
<i>direct control service</i>	Direct control service has the meaning set out in the Chapter 6 Rules.
<i>Direct costs</i>	<p>Operating or capital expenditure directly attributable to a work activity, project or work order. Consists of in-house costs of direct labour, direct materials, contract costs, and other attributable costs.</p> <p>Excludes any allocated overhead.</p>
<i>Direct labour cost</i>	<i>Labour cost</i> attributable to a specific asset or service, cost centre, work activity, project or work order

<i>Direct materials</i>	<p>Materials are the raw materials, standard parts, specialised parts and sub-assemblies required to assemble or manufacture a network/non-network asset or to provide a network/non-network service. <i>Direct materials</i> costs are attributable to a specific asset or service, cost centre, or work order, and exclude materials provided under external-party contracts.</p> <p>Includes:</p> <ul style="list-style-type: none"> • the cost of scrap • normally anticipated defective units that occur in the ordinary course of the production process • routine quality assurance samples that are tested to destruction • the net invoice price paid to vendors to deliver the material quantity to the production facility or to a point of free delivery.
<i>distribution determination</i>	Distribution determination has the meaning set out in the National Electricity Law.
<i>Distribution substation</i>	A substation on a distribution network that transforms voltage of levels at or below 22 kV but above 1 kV to levels below 1 kV.
<i>Distribution substation equipment & property maintenance</i>	<p>Maintenance of distribution substations, equipment to convert HV distribution to LV, current transformers, voltage transformers, voltage regulators and associated secondary protection and communication equipment.</p> <p>Equipment maintenance – includes all direct costs (labour, material, contract, motor vehicle); maintenance of distribution switchgear; inspecting, testing and maintaining distribution substations primary and secondary equipment, apparatus and hardware; transformers, earthing, surge diverters, isolators, protection and communication directly associated with the substation; inspecting, testing and maintaining substations and protective apparatus, equipment and hardware; earthing, surge diverters, EDOs and isolators directly associated with the substation; maintenance of site including buildings, fences and cleaning; carrying out replacement of HV fuses not occasioned by fault or emergency work (minor value of replacement, e.g. <\$500).</p> <p>Property maintenance – includes all direct costs (labour, material, contract, motor vehicle); maintenance of site including buildings, fences and cleaning; weed control.</p> <p>Excludes upgrades and replacements of equipment which should be capex.</p> <p>Physical measure: Number of projects completed by distribution substation; Number of substations and voltage regulators maintained by zone substation; Number of distribution substation properties maintained</p>
<i>Distribution substation transformers maintenance</i>	<p>A subset of Distribution Substation Equipment & Property Maintenance. Maintenance of all transformers in distribution substations and associated secondary protection and communication equipment.</p> <p>Includes all direct costs (labour, material, contract, motor vehicle); maintenance of HV to LV transformers; inspecting, testing and maintaining transformer equipment, apparatus and hardware; protection and communication directly associated with the distribution substation.</p> <p>Excludes upgrades and replacements of transformers (capex); maintenance of distribution substation equipment other than transformers under Distribution Substation Equipment & Property Maintenance.</p> <p>Physical measure: Number of installed transformers by distribution substation</p>
<i>Distribution switchgear maintenance</i>	<p>Maintenance of distribution network switches.</p> <p>Includes all direct costs (labour, material, contract, motor vehicle); distribution air break switches; distribution metal clad switchgear; distribution auto-reclosers; pole mounted and ground mounted switchgear; HV and LV switchgear</p> <p>Physical measure: Number of switches maintained by zone substation.</p>
<i>Documents</i>	Includes correspondence, notices, circulars, memoranda, minutes, notes, reports, contracts or

	agreements in the possession, power or control of DNSP.
<i>Dual function asset</i>	Has the meaning prescribed in the National Electricity Rules
<i>Easement</i>	All rights to enjoyment over property not registered to DNSP and includes, without limitation, rights to access and maintain land, build and maintain assets on land and wayleaves
<i>Economic Benchmarking RIN for distribution network service providers</i>	The Notice issued on DNSP on 28 November 2013 for the purposes of collecting information for economic benchmarking
<i>Elevated Work Platform (HCV)</i>	Elevated work platforms (HCV) are Motor Vehicles that have permanently attached elevating work platforms that would be HCVs but for the exclusion of elevated work platforms from the definition of HCV.
<i>Elevated Work Platform (LCV)</i>	Elevated work platforms (LCV) are Motor Vehicles that have permanently attached elevating work platforms that are not Elevated work platform (HCV).
<i>Embedded generator</i>	Has the meaning prescribed in the National Electricity Rules.
<i>Embedded generation connection</i>	The connection of residential Photo Voltaic systems or district embedded generating system networks.
<i>Emergency response</i>	<p>Costs incurred to restore a failed component to an operational state including all expenditure relating to the work incurred where supply has been interrupted or assets damaged or rendered unsafe by a breakdown, making immediate operations and/or repairs necessary.</p> <p>Costs of activities primarily directed at maintaining network functionality and for which immediate rectification is necessary. These activities are primarily due to network failure caused by weather events, vandalism, traffic accidents or other physical interference by non-related entities.</p>
<i>Energisation</i>	The closing of a connection in order to allow the flow of energy to the premises.
<i>Estimated Information</i>	Information presented in response to the Notice whose presentation is not materially dependent on information recorded in DNSP's historical accounting records or other records used in the normal course of business, and whose presentation for the purposes of the Notice is contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation in the response to the Notice.
<i>Excluded Interruption</i>	Interruptions excluded under clause 3.3(a) of the service target performance incentive scheme, or a <i>customer</i> installation fault.
<i>Fee-based services</i>	<p>Fee-based services are provided for the benefit of individual customers rather than uniformly supplied to all network customers. Some services of this type are homogenous in nature and scope. This means that these services are provided on a fixed fee basis.</p> <p>These services may, in some jurisdictions, be classified as ancillary network services charged on a fixed fee basis.</p>
<i>Fire start</i>	<p>Any fire:</p> <ul style="list-style-type: none"> • that starts in and originates from the reporting NSP's distribution system; or • started by any tree, or part of a tree which falls or blows in or grows into contact with the reporting NSP's distribution system; or • started by any person, bird, reptile or other animal coming into contact with the reporting NSP's distribution system; or • started by lightning striking the reporting NSP's distribution system; or • started by any other thing forming part of or coming into contact with the reporting NSP's distribution; or • otherwise started by the reporting NSP's distribution system

<i>Ground clearance (vegetation management)</i>	The trimming or removal of low-lying vegetation (e.g. shrubs, saplings). This includes work surrounding the use of herbicides, chemical treatment and wash-downs.
<i>GSL</i>	The minimum guaranteed service level which customers are entitled to receive from DNSPs, as defined in each NEM jurisdiction's energy regulation or the relevant distribution determination.
<i>GSL payments</i>	Payments made by DNSPs to a customer when the customer received service at a level worse than the prescribed GSL service level. DNSPs must make GSL payments in accordance with the relevant jurisdictional energy regulation.
<i>Hazard tree</i>	A tree that is reasonably considered to be unhealthy, unstable, or in a condition where it is reasonably likely for trees or limbs to contact electricity assets.
<i>Heavy Commercial Vehicle (HCV)</i>	Heavy commercial vehicles (HCVs) are Motor Vehicles that are registered for use on public roads excluding Elevated Work Platform (HCV)s that: <ul style="list-style-type: none"> • have a gross vehicle mass greater than 4.5 tonnes; or • are articulated Vehicles; or • are buses with a gross vehicle mass exceeding 4.5 tonnes
<i>High voltage</i>	Assets that distribute electricity at voltage levels between the sub transmission and LV sections of the network. The connection boundaries are the outgoing terminals of the HV circuit breakers at the zone substations to the HV terminals of the HV to LV distribution transformers.
<i>HV feeder</i>	A distribution line with a nominal voltage that is at or below 22 kV and above 1 kV, and connects distribution substations to a zone substation Includes all connected lines from the point of origin (typically a zone substation) to the normally-open points or line terminations.
<i>Initial Regulatory Years</i>	The period for which back cast information is required. This is the 2009 to 2013 Regulatory Years.
<i>Inspection (Vegetation management)</i>	Inspections only for the purpose of identifying of trees or other vegetation that require trimming or removal. This includes vegetation scoping works, use of LiDAR, aerial and other forms of inspections.
<i>Installed assets - quantity per year</i>	The number of assets still in use and the year they were installed.
<i>Interruption</i>	An interruption is as defined in the STPIS.
<i>Labour costs</i>	The costs of: <ul style="list-style-type: none"> • Labour hire; and • Ordinary time earnings; and • Other earnings, on-costs and taxes; and • Superannuation. <p><i>Labour hire</i> – means expenditure:</p> <ul style="list-style-type: none"> • incurred under labour hire contracts. • Excludes expenditure required under contracts other than labour hire contracts, irrespective of whether or not the contract includes a labour component. <p><i>Ordinary time earnings</i> – means expenditure:</p> <ul style="list-style-type: none"> • that was required under contracts of employment with the reporting NSP; and • which constitutes ordinary time salaries and wages. <p>Includes expenditure related to full time, part-time, and casual employees.</p>

Includes expenditure related to ongoing and temporary employment contracts.

Excludes expenditure required under contracts other than employment contracts, irrespective of whether or not the contract includes a labour component.

Excludes overtime, allowances, bonuses and incentive payments, and superannuation contributions.

Excludes payroll tax paid and fringe benefits tax paid.

Other earnings, on-costs, and taxes – means expenditure:

- that was required under contracts of employment with the reporting NSP; and
- which does not constitute employer superannuation contributions; and
- which constitutes:
- overtime; and/or
- staff allowances, including allowances for expenses incurred (e.g. meal allowances) and allowances for nature of work performed (e.g. special skills allowance, or living away from home allowance); and/or
- bonuses, incentive payments, and awards; and/or
- benefits in kind and corresponding compensation payments (e.g. housing, electricity or gas subsidies); and/or
- termination and redundancy payments; and/or
- workers compensation; and/or
- purchase of protective clothing for use by employees; and/or
- training and study assistance provided to employees; and/or
- taxes (payroll tax, fringe benefits tax etc.)

Includes expenditure related to full time, part-time, and casual employees.

Includes expenditure related to ongoing and temporary employment contracts.

Excludes expenditure required under contracts other than employment contracts, irrespective of whether or not the contract includes a labour component.

Superannuation – means expenditure:

- that was required under contracts of employment with the reporting NSP; and
- which constitutes employer superannuation contributions.

Includes expenditure related to full time, part-time, and casual employees.

Includes expenditure related to ongoing and temporary employment contracts.

Excludes expenditure required under contracts other than employment contracts, irrespective of whether or not the contract includes a labour component.

Light Commercial Vehicle (LCV)

Light commercial vehicles (LCVs) are Motor Vehicles that are registered for use on public roads excluding elevated work platforms that:

- are rigid trucks or load carrying vans or utilities having a gross vehicle mass greater than 1.5 tonnes but not exceeding 4.5 tonnes; or
- have cab-chassis construction, and a gross vehicle mass greater than 1.5 tonnes but not exceeding 4.5 tonnes; or
- are buses with a gross vehicle mass not exceeding 4.5 tonnes.

Light installation

The installation on a *major* or *minor* road for the purpose of establishing new:

Luminaires, including associated components such as bracket and lamp.

The installation may also include:

	<ul style="list-style-type: none"> • Poles dedicated to public lighting services and • Underground or overhead cabling dedicated to public lighting services.
<i>Light maintenance</i>	The maintenance cost associated with the following activities on a <i>major</i> or <i>minor</i> road: Maintenance/repair of public lighting assets Inspection of public lighting assets.
<i>Light replacement</i>	The replacement on a <i>major</i> or <i>minor</i> road of any of the following <i>public lighting assets</i> : <ul style="list-style-type: none"> • Luminaires • Brackets • Lamps • Poles dedicated to public lighting services and • Underground or overhead cabling dedicated to public lighting services.
<i>Light type</i>	DNISP should nominate the light type and/or standard wattage used. This will be consistent with the light types listed in annual tariff proposals. For example: Sodium, Fluorescent, Mercury, Metal Halide lighting types.
<i>Line</i>	See 'overhead conductor'.
<i>Long rural</i>	In the context of capex and opex data, and related volume/ non-financial variables, refers to costs and works on a <i>Long rural feeder</i> and all assets downstream of that feeder.
<i>Long rural feeder</i>	Has the meaning described in the <i>Service Target Performance Incentive Scheme</i> .
<i>LV feeder</i>	A distribution line that is not a subtransmission line or a high voltage feeder or an overhead service wire or an underground service cable. Includes switchgear located on the feeder rather than in a subtransmission substation, zone substation, or distribution substation. Includes all non-transforming substations used to switch two or more distribution lines that are associated with the low voltage feeder.
<i>Maintenance access track</i>	Those access tracks that are subject to maintenance under DNISP's <i>vegetation management</i> program.
<i>Maintenance span</i>	A span within DNISP's network that is subject to active <i>vegetation management</i> practices in the relevant year. Active <i>vegetation management</i> practices do not include <i>inspection</i> of vegetation <i>maintenance spans</i> .
<i>Major Event Day (MED)</i>	A day where daily unplanned SAIDI for DNISP's distribution network exceeds the major event day boundary, as set out in Appendix D of the service target performance incentive scheme (STPIS).
<i>Major road</i>	Roads on which the visual requirements of motorists are dominant (e.g. traffic routes). Typically the responsibility of a state or territory road authority.
<i>Management (network overhead)</i>	Includes all costs associated with general management of the network business, i.e. management and management support staff not directly involved with any other network overhead functions listed under <i>Network Overhead</i> .
<i>Material Project</i>	A Project that relates to one or more Capex Categories and which over the life of the works exceeds: <ul style="list-style-type: none"> • \$2 million (real 20xx dollars) in the case of a project which relates to non-network categories; or • \$5 million (real 20xx dollars) in the case of all other projects.
<i>Maximum demand</i>	Has the meaning prescribed in the National Electricity Rules.

Note: this Notice sets out the specific types of maximum demand information we require to perform our obligations under the NER. For the avoidance of doubt, maximum demand refers to 30 minute demand unless otherwise indicated.

<i>Meter investigation</i>	The cost to investigate a metering request at a given supply point i.e. Interval data analysis; meter malfunction; wiring transposition (polarity) investigation; contestable metering investigation and meter tampering or bypass.
<i>Meter purchase</i>	The direct material cost of purchasing the meter unit for installation or replacement. This includes the cost of delivery to DNSP's store, including testing of equipment and inclusion of spare parts.
<i>Meter reading</i>	The scheduled collection of energy data from a metering installation on a cycle that equates to the end-use customer's billing cycle, usually monthly or quarterly.
<i>Meter replacement</i>	The cost for the replacement of a meter and associated equipment at a site with an existing metering infrastructure.
<i>Meter testing</i>	Routine testing, for the purposes of complying with AEMO's metrology procedure, including the ongoing and regular maintenance testing, compliance testing and in-service testing of metering installation components initiated by the responsible person or Metering Provider to fulfil their obligations in accordance with S7.3 of the Rules.
<i>Metering Services.</i>	<p>Type 1-6 Metering Services includes:</p> <ul style="list-style-type: none"> • Meter purchase • Meter testing • Meter investigation • Scheduled meter reading • Special meter reading • New meter installation • Meter replacement • Meter maintenance • Other (all activities not captured by the defined meter service categories including those activities relating to type 7 meters).
<i>Minor road</i>	Roads on which the visual requirements of pedestrians are dominant (e.g. local roads and lighting that is applicable to areas other than roads outdoor public areas, e.g. outdoor shopping). Typically the responsibility of a local Government authority.
<i>Miscellaneous fee-based services</i>	Those fee-based services that are provided by some but not all DNSPs. This would include, among other services, service truck visits and wasted service truck visits.
<i>Motor Vehicle</i>	Is any motor vehicle registered for use on public roads excluding motor vehicles not generally moved large distances on public roads under their own power (e.g. excluding tractors, forklifts, backhoes, bobcats and any other road registered mobile plant).
<i>Motor Vehicles Expenditure</i>	<p>Motor Vehicle Expenditure is defined as all expenditure directly attributable to Motor Vehicles including: purchase, replacement, operation and maintenance of motor vehicles assets registered for use on public roads, excluding mobile plant and equipment. It excludes expenditure on vehicles not generally moved large distances on public roads under their own power. Expenditure on registered vehicles that is not Motor Vehicles Expenditure for this reason should be reported under the Other Non-network expenditure category include: tractors; forklifts; backhoes; bobcats and any other registered mobile plant.</p> <p>All Motor Vehicle Expenditure, irrespective of whether it is Network Motor Vehicle Expenditure or Non- Network Motor Vehicle Expenditure must be recorded in the Non-Network <i>regulatory template</i>.</p> <p>Sub Categories of Motor Vehicle Expenditure are:</p>

	<ul style="list-style-type: none"> • Network Motor Vehicle Expenditure – Cars • Network Motor Vehicle Expenditure – LCVs • Network Motor Vehicle Expenditure – HCVs • Network Motor Vehicle Expenditure – Elevated Work Platforms (LCVs) • Network Motor Vehicle Expenditure – Elevated Work Platforms (HCVs) • Non-Network Motor Vehicle Expenditure – Cars • Non-Network Motor Vehicle Expenditure – LCVs • Non-Network Motor Vehicle Expenditure - HCVs
<i>MVA</i>	Mega volt ampere.
<i>MW</i>	Megawatt
<i>N-1 emergency (for lines)</i>	The maximum peak emergency loading for a given load cycle that a line (all equipment excluding the largest parallel element) can supply for up to 15 minutes.
<i>N-1 emergency (for substations)</i>	The maximum peak emergency loading for a given load cycle that a substation (all equipment excluding the largest parallel element) can supply for up to two hours.
<i>Nameplate (in service) rating</i>	The nameplate rating including forced cooling and other factors used to improve capacity.
<i>negotiated distribution service</i>	A distribution service that is a negotiated network service within the meaning of section 2C of the National Electricity Law.
<i>NEL</i>	National Electricity Law - means the National Electricity Law set out in schedule to the National Electricity Rules (South Australia) Act 1996.
<i>NER</i>	National Electricity Rules - means the Rules, as defined in the National Electricity Law.
<i>Network coincident maximum demand</i>	The load on the network at the time during which the network was experiencing its maximum demand for the relevant regulatory year.
<i>Network control (network overhead)</i>	Includes all costs associated with network control (system operations). This includes functions such as planning and scheduling of switching activities, control room staff, management of field crews, dispatch operators, associated support staff, as well as management directly associated with these functions.
<i>Network Motor Vehicles Expenditure</i>	Motor Vehicle Expenditure is where the key/dominant driver for purchase or acquisition of the Motor Vehicle is related to use supporting the operation, development, maintenance or management of the network.
<i>Network Overhead</i>	<p><i>Network Overhead</i> costs refer to the provision of network, control and management services that cannot be directly identified with specific operational activity (such as routine maintenance, vegetation management, etc.).</p> <p>For distribution NSPs, <i>Network Overhead</i> includes the following:</p> <ul style="list-style-type: none"> • management (not directly related to any of the functions listed below) • network planning (i.e. system planning) • network control and operational switching personnel • quality and standards functions including standards & manuals, asset strategy (other than network planning), compliance, quality of supply, reliability, and network records (e.g. geographical information systems (GIS)) • project governance and related functions including supervision, procurement, works management, logistics and stores • other including training, OH&S functions, training, network billing and customer service.

<i>Network planning (network overhead)</i>	Includes all costs associated with developing visions, strategies, or plans for the development of the network. This includes functions such as demand forecasting, network analysis, preparation of planning documentation, area plans, and the like, as well as management directly associated with these functions.
<i>Network records (network overhead)</i>	Includes all costs associated with the development and maintenance of network records such as information in geographic information systems, network outage information, network capacity/ratings, network loading records, etc. except where these costs are included in any of the other <i>Network Overhead</i> categories.
<i>Network underground cable maintenance</i>	<p>Inspection, testing and maintenance of underground HV distribution and LV cable installations and terminations.</p> <p>Includes all direct costs (labour, material, contract, motor vehicle); power, supervisory and protection cable maintenance and ancillaries such as conduits, tunnels, manholes, cover slabs, sumps and terminations; cable location inquiries; cable maintenance for all voltages; total lengths of distribution feeder cables emanating from a zone substation.</p> <p>Excludes underground service cable maintenance (see Pole Top, Overhead Line and Services Maintenance); all cables and major replacements inside a zone substation except feeder cables; cable repairs made as part of an emergency or fault restoration and repair of damage caused by other parties.</p> <p>Physical measure: Length of cables maintained by zone substation; Number of joints.</p>
<i>New meter installation</i>	The installation of a meter and associated works at a site with no existing metering infrastructure.
<i>Non-coincident maximum demand</i>	The load on the specified network segment, at the time during which the relevant network segment was experiencing its maximum demand for the relevant regulatory year. This is irrespective of whether the network was also experiencing maximum demand.
<i>Non-financial Information</i>	Information that is not measured in monetary terms
<i>Non-network Buildings and Property Expenditure</i>	Expenditure directly attributable to non-network buildings and property assets including: the replacement, installation, operation and maintenance of non-network buildings, fittings and fixtures.
<i>Non-network IT & Communications Expenditure</i>	<p>Is all non-network expenditure directly attributable to IT and communications assets including replacement, installation, operation, maintenance, licensing, and leasing costs but excluding all costs associated with SCADA and Network Control Expenditure that exist beyond gateway devices (routers, bridges etc.) at corporate offices.</p> <p>IT & Communications Expenditure includes:</p> <ul style="list-style-type: none"> • costs associated with SCADA and Network Control that exist at the Corporate office side of gateway devices (routers, bridges etc.). For example, this would include cost associated with SCADA master systems/control room and directly related equipment • IT & Communications Expenditure related to management, dispatching and coordination, etc. of network work crews (e.g. phones, radios etc.). • any common costs shared between the SCADA and Network Control Expenditure and IT & Communications Expenditure categories with no dominant driver related to either of these expenditure categories. For example, a dedicated communications link used for both corporate office communications and network data communications with no dominant driver for incurring the expenditure attributable to either expenditure category should be reported as IT & Communications Expenditure. • expenditure related to network metering recording and storage at non network sites (i.e. corporate offices/sites) • Sub categories of Non-network IT& Communications Expenditure are: • Client Devices Expenditure

	<ul style="list-style-type: none"> • Recurrent Expenditure (excluding any client devices expenditure) • Non-Recurrent Expenditure (excluding any client devices expenditure).
<i>Non-network IT & Communications Expenditure - Client Devices Expenditure</i>	Client Devices Expenditure is expenditure related to a hardware device that accesses services made available by a server. Client Devices Expenditure includes hardware involved in providing desktop computers, laptops, tablets and thin client interfaces and handheld end user computing devices including smart phones, tablets and laptops.
<i>Non-network IT & Communications - Non Recurrent Expenditure</i>	IT & Communications - Non Recurrent is all IT & Communications Expenditure that is Non-recurrent Expenditure excluding any expenditure reported under IT & Communications Expenditure - Client Devices Expenditure.
<i>Non-network IT & Communications Expenditure - Recurrent Expenditure</i>	Is all IT & Communications Expenditure that is Recurrent Expenditure excluding any expenditure reported as IT & Communications Expenditure - Client Devices Expenditure.
<i>Non-network Motor Vehicles Expenditure</i>	All Motor Vehicle Expenditure that is not Network Motor Vehicle Expenditure
<i>Non-Network Other Expenditure</i>	<p>Is all expenditure directly attributable to the replacement, installation, maintenance and operation of Non-network assets, excluding Motor Vehicle assets, Building and Property assets and IT and Communications assets and includes</p> <ul style="list-style-type: none"> • non road registered motor vehicles; non road motor vehicles (e.g. forklifts, boats etc.); • mobile plant and equipment; tools; trailers (road registered or not); • elevating work platforms not permanently mounted on motor vehicles; and • mobile generators.
<i>Non-recurrent Expenditure</i>	Is all Expenditure that is not Recurrent Expenditure in relation to the specific category of expenditure
<i>Non-routine maintenance</i>	<p>Costs (opex) of activities predominantly directed at managing asset condition or rectifying defects (excluding emergency call-outs). The timing of these activities depends on asset condition and decisions on when to maintain or replace the asset, which may vary over time and across NSPs.</p> <p>Activities to maintain asset condition and/or to maintain the capacity of the distribution system to distribute electricity, and where the activities are not routine in nature.</p> <p>The non-routine activities may be undertaken in a discriminate manner for individual assets.</p> <p>Excludes routine asset maintenance activities.</p> <p>Excludes activities that are designed to increase or improve the capacity of the distribution system to distribute electricity, except where the increase or improvement is incidental to the maintenance of the distribution system.</p> <p>Excludes asset removal, asset replacement, new asset installation, vegetation management, and emergency response.</p> <p>May include:</p> <ul style="list-style-type: none"> • activities to inspect, survey, audit, test, repair, alter, or reconfigure assets • functional and intrusive testing of assets, including spares and equipment; <p>Includes load monitoring and switching activities attributable to non-routine asset maintenance.</p>
<i>Normal cyclic rating (for lines)</i>	The maximum peak daily loading based on a given load cycle that a line can supply each day of its life under normal conditions resulting in a normal rate of wear. DNSP must provide its definition(s) of 'normal conditions'.
<i>Normal cyclic rating (for substations)</i>	The maximum peak daily loading based on a given load cycle that a substation can supply each day of its life under normal conditions resulting in a normal rate of wear. DNSP must

	provide its definition(s) of 'normal conditions'.
<i>Notice</i>	The regulatory information notice to which this document is an appendix.
<i>NSP</i>	Network Service Provider
<i>ONAN</i>	Oil natural air natural
<i>Operational switching (network overhead)</i>	Includes all costs associated with field crews that undertake the operational switching of the network to facilitate network access or restoration, as well as any directly associated local management that is not included in the <i>Network Control</i> category.
<i>Opex</i>	The costs of operating and maintaining the network (excluding all capital costs and capital construction costs). Operating expenditure
<i>Opex Category</i>	Means operating expenditure associated with the following categories: <ul style="list-style-type: none"> • Non-network expenditures • Vegetation management • Maintenance • Emergency response • overheads
<i>Other costs (metering)</i>	Includes all costs associated with the provision of metering services which are not reflected in the defined metering activity categories.
<i>Outage</i>	Has the meaning prescribed in the National Electricity Rules
<i>Overhead asset inspection</i>	All inspection of network overhead assets. Includes all direct costs (labour, material, contract, motor vehicle); thermal survey programs. Physical measure: Route km line patrolled by zone substation
<i>Overhead conductors</i>	These assets have the primary function of distributing power, above ground, within the distribution network. It excludes any pole mounted assets that are included in any other asset group.
<i>Overhead connection</i>	A physical aerial link between the distribution system and a customer's premises from a pole to the customer's premises.
<i>Overhead service wire</i>	A length of overhead conductor that runs from a distribution pole to a distribution customer's, excluding customer which are other network service providers, connection point.
<i>Paid FTE</i>	The number of full-time equivalent employees receiving salary or wages by the organisation at the end of a pay period. Part-time employees are converted to full-time equivalent. Includes: <ul style="list-style-type: none"> • all active full-time and part-time, ongoing and non-ongoing employees engaged for a specified term or task paid through payroll (part-time employees are converted to full-time equivalent based on the hours they work). Excludes: <ul style="list-style-type: none"> • Overtime. • Employees on unpaid leave.
<i>Pole inspection and treatment</i>	All inspection, testing and treatment of sub transmission and/or distribution poles. Includes all direct costs (labour, material, contract, motor vehicle); inspection of network assets

	<p>including poles, conductors and cross-arms; pole preserving chemical treatments. Includes inspection of vegetation where inspections of both vegetation and poles occur simultaneously.</p> <p>Excludes customers HV lines; LV overhead private electric lines. Excludes inspection of vegetation where inspection is for vegetation only (this is captured under Vegetation Management).</p> <p>Physical measure: Number of poles inspected by zone substation.</p>
<i>Pole top, overhead line and services maintenance</i>	<p>Maintenance of network overhead lines and pole tops, sub transmission & distribution: conveying electricity between zone substations, from zone substations to distribution substations and low voltage lines. Includes Stobie poles for South Australian NSPs. Includes services maintenance (pre-arranged maintenance of DNSP's services providing supply to customers' premises).</p> <p>Includes:</p> <p>Pole tops and overhead lines maintenance –all direct costs (labour, material, contract, motor vehicle); insulation washing; bird covers and spreaders; maintenance of all pole and conductor hardware and surge diverters not on substation poles. One pole top job will include all the maintenance activity carried out in one work session.</p> <p>Services maintenance –all direct costs (labour, material, contract, motor vehicle); removing, inspecting, testing and re-installation of overhead or underground services and associated equipment; service maintenance including attending to customer complaints not covered by Emergency Response category.</p> <p>Excludes:</p> <p>Pole tops and overhead lines maintenance –Pole Inspection and Treatment; vegetation control; pole replacement or staking; switch maintenance or recall; work on voltage complaints or television and radio interference - investigation & solution not involving capex; replacement of hardware on a pole which is being changed; the replacement of existing conductor other than minor works to ensure continuity and reliability of supply (major replacements are capex).</p> <p>Services maintenance –new connections; removing, inspecting, testing and re-installation of meters and time switches; metering personnel costs; service maintenance on fused junction boxes, joints and terminations; costs to replace any of the above assets with new assets (capex); and underground services installed to replace overhead services in relation to private electricity lines. Excludes vegetation inspection which is captured under Vegetation Management.</p> <p>Excludes poles used solely for providing public lighting services</p> <p>Physical measure: Pole tops and overhead lines – Number of pole tops maintained by zone substation; Services – Number of customer premises maintained.</p>
<i>Pole top structures</i>	<p>These are structures and their components that allow overhead conductors and related assets to be supported on a pole and provide adequate clearances. This relates to expenditure incurred when a pole top structure is replaced independently of the pole it is located on.</p> <p>This includes cross-arms, insulators, links, fuses, air break switches and the like.</p> <p>It excludes any pole mounted assets that are included in any other asset group. It excludes pole mounted substations, reclosers, sectionalisers, etc.,</p>
<i>Poles</i>	<p>These are assets that provide structural support for overhead conductors or other lines assets. This includes pole-top structures, such as cross-arms, insulators, links, fuses, air break switches and the like, where these are replaced in conjunction with a pole replacement project</p> <p>It excludes any pole mounted assets that are included in any other asset group.</p>
<i>Poles/Towers (including pole top or tower structures)</i>	<p>Structures that provide support for overhead lines, transformers and other lines assets.</p>
<i>Power factor</i>	<p>The ratio of demand in MW to demand in MVA.</p>
<i>Probability of exceedance</i>	<p>Typically, actual maximum demand is standardised to either, or both, of 10 per cent and 50 per</p>

<i>(PoE)</i>	<p>cent PoE levels.</p> <p>The 50 (10) PoE demand level is the level of maximum demand that, on average would be exceeded in 50 per cent (10 per cent) of seasons. It can be thought of as the maximum demand that would be observed or exceeded once every two (ten) years on average.</p> <p>The key driver of variability in demand is usually weather. However this is not always the case and the concept of POE is not necessarily tied directly to weather.</p>
<i>Program</i>	A mix of capex or opex projects directed at the same purpose.
<i>Project governance (network overhead)</i>	Includes all costs associated with the approval and management control of network projects or programs. This includes the cost of functions such as project management offices, works management, project accounting, or project control groups where these costs are not directly charged to specific projects or programs.
<i>Protection system</i>	Has the meaning prescribed in the National Electricity Rules.
<i>Public lighting maintenance</i>	<p>Expenditure associated with the maintenance, repair or inspection of public lighting assets on <i>major roads</i> and <i>minor roads</i></p> <p>Includes all direct costs (labour, material, contract, motor vehicle)</p> <p>Physical Measure: Number of public lights serviced by zone substation; Number of kilometres patrolled by zone substation.</p>
<i>Public lighting services</i>	Public lighting services are the installation, repair, replacement and maintenance of public lighting whether owned by the NSP or by another party. This also includes alteration and relocation of existing public lighting assets. Public lighting assets include luminaires, brackets, lamps and dedicated public lighting poles (not poles that deliver network services).
<i>Quality and standards functions (network overhead)</i>	Includes all costs associated with management of the quality of supply, supply reliability, etc. It also includes all costs associated with the development, maintenance and compliance with network technical standards, service standards, quality of supply standards, etc.
<i>Quoted services</i>	<p>Quoted Services are services for which costs are recovered through quoted prices as the nature and scope of these services are specific to individual customers' needs and vary from customer to customer.</p> <p>These services may, in some jurisdictions, be classified as ancillary network services charged on a quoted basis.</p>
<i>Raw data</i>	Refers to unadjusted (that is, without weather correction) demand.
<i>Recurrent Expenditure</i>	Recurrent expenditure is expenditure that returns time after time with respect to the particular category of expenditure. Examples of recurrent IT & Communications expenditure may include cyclic replacement of assets and related costs (hardware, software, training etc.)
<i>Re-energisation</i>	The energisation of a premises after their de-energisation. Does not include alterations or new installation of meters or services.
<i>Regulatory Accounting Statements</i>	The financial reports revealing the performance and financial situation of ActewAGL Distribution. They show the originating statutory account amount, its translation into a regulatory account amount and its disaggregation between the different categories of distribution services that it provides.
<i>Regulatory obligations or requirements</i>	Has the meaning prescribed in the National Electricity Rules
<i>regulatory template</i>	Refers to worksheets contained within the Microsoft Excel workbook at Appendix A to this Notice.
<i>Regulatory Year</i>	Is as defined in the NER.
<i>Related Party</i>	In relation to DNSP, any other entity that:

- had, has or is expected to have control or significant influence over DNSP;
- was, is or is expected to be subject to control or significant influence from DNSP;
- was, is or is expected to be controlled by the same entity that controlled, controls or is expect to control DNSP—referred to as a situation in which entities are subject to common control;
- was, is or is expected to be controlled by the same entity that significantly influenced, influences or is expected to influence DNSP; or
- was, is or is expected to be significantly influenced by the same entity that controlled, controls or is expected to control DNSP;

but excludes any other entity that would otherwise be related solely due to normal dealings of:

- financial institutions;
- authorised trustee corporations as prescribed in Schedule 9 of the Corporations Regulations 2001 (Cth);
- fund managers;
- trade unions;
- statutory authorities;
- government departments;
- local governments and includes NSP Name (ACN XXX XXX XXX); or
- where any of the entities identified in sub-paragraphs (a) to (e) have novated or assigned a contract or arrangement to or from another entity (where that contract or arrangement relates to the provision of distribution services by DNSP, the entity to whom that contract or arrangement has been novated or assigned.

<i>Related party contract</i>	A finalised <i>Contract</i> between DNSP and a <i>Related Party</i> for the provision of goods and/or services
<i>Related party margin</i>	The dollar amount of profit a <i>Related Party</i> gains above its total actual costs under a <i>Related Party Contract</i> with DNSP. This profit may include margins, management fees or incentive payments.
<i>Repex model</i>	Available at: http://www.aer.gov.au/node/18864
<i>Replacement Capital expenditure —‘Repex’</i>	The non-demand driven capex to replace an asset with its modern equivalent where the asset has reached the end of its economic life. ‘Economic life’ is determined by the age, condition, technology or environment of the existing asset. Capex is regarded as replacement expenditure if it is primarily determined by the existing asset’s ability to efficiently maintain its service performance requirement.
<i>Residential customer connection</i>	A residential customer connection relates to connecting customers who purchase energy principally for personal, household or domestic use at premises.
<i>Review Report</i>	An Auditor’s limited assurance engagement report as required by this Notice and prepared in accordance with the requirements set out in Appendix D of this Notice
<i>Route line length</i>	The aggregate length in kilometres of lines, measured as the length of each span between poles and/or towers, and where the length of each span is considered only once irrespective of how many circuits it contains. This is the distance between line segments and does not include vertical components such as line sag. The length of service lines is not to be included in the route line length.
<i>Routine maintenance</i>	Costs (opex) of recurrent/programmed activities undertaken to maintain assets, performed regardless of the condition of the asset. Costs of activities predominantly directed at discovering information on asset condition, and often undertaken at intervals that can be predicted. Activities to maintain asset condition and/or to maintain the capacity of the distribution system

to distribute electricity, and where the activities are:

- routine in nature; and
- indiscriminately carried out for a pre-defined set of assets; and
- scheduled to occur at pre-defined intervals.

May include activities to inspect, survey, audit, test, repair, alter, or reconfigure assets.

A pre-defined interval may be based on the number of times the asset has operated, or any other measure, if the future timing of the maintenance based on the measure can be predicted with a reasonable level of certainty.

Excludes activities that are designed to increase or improve the capacity of the distribution system to distribute electricity, except where the increase or improvement is incidental to the maintenance of the distribution system.

Excludes asset removal, asset replacement, new asset installation, vegetation management, and emergency response.

May include:

- functional and intrusive testing of assets, including spares and equipment;
- helicopter, vehicle, and foot patrols, including negotiation of landowner access;
- asset surveys;
- environmental testing;
- painting of network assets;
- re-conductoring lines
- indoor and outdoor maintenance of substations including lawn mowing, weed control, fencing;

Includes load monitoring and switching activities attributable to routine asset maintenance.

<i>Rural</i>	In the context of capex and opex, and related volume/ non-financial variables, is the sum of values reported for <i>short rural</i> and <i>long rural</i> .
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<i>SAIDI</i>	The system average interruption duration index for the purposes of the service target performance incentive scheme.
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<i>SCADA</i>	Supervisory control and data acquisition
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<i>SCADA and Network Control Expenditure</i>	Is all expenditure directly attributable to SCADA and Network Control devices (i.e. network control or network monitoring devices) that exist beyond gateway devices (routers, bridges etc.) at corporate offices; and all communications expenditure incurred primarily for communications associated with the control or telemetering of the network (e.g. communications to and from SCADA devices or network control devices to corporate systems).
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It includes:

- all fixed IT devices on the network side of gateway devices (router, bridge etc.) at the corporate office sites; and
- all communications expenditure incurred primarily for communications around the network or from network devices to corporate systems and vice versa (e.g. communications to and from smart meters and SCADA devices).

Subcategories of SCADA and Network Control Expenditure are:

SCADA and Network Communications Expenditure

- All SCADA and Network Control expenditure incurred primarily for the purposes of transferring data.

SCADA and Network Control IT Expenditure

- All SCADA and Network Control expenditure incurred primarily for purposes other
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	<p>than transferring data</p> <ul style="list-style-type: none"> All SCADA and Network Control Expenditure that is not SCADA and Network Control Communications Expenditure is SCADA and Network Control IT Expenditure
<i>SCADA and Network Control maintenance</i>	Expenditure associated with the maintenance of SCADA and network control hardware, software and associated IT systems. Includes maintenance of protection and control systems and communication systems.
<i>Service Target Performance Incentive Scheme</i>	The AER's Electricity distribution network service providers: Service target performance incentive scheme dated November 2009.
<i>Service lines</i>	<p>Includes assets that provide a physical link and associated assets between the distribution network and a customer's premises</p> <p>It excludes any pole mounted assets and meters that are included in any other asset group.</p>
<i>Severe weather events</i>	Weather events related to Major Event Days
<i>Shared asset unregulated revenue</i>	Revenue earned by charging for unregulated services provided with shared assets. In some circumstances this may reflect revenue apportionment in line with the AER's Shared Asset Guideline.
<i>Short rural</i>	In the context of capex and opex data, and related volume/ non-financial variables, refers to costs and works on a <i>Short rural feeder</i> and all assets downstream of that feeder.
<i>Short rural feeder</i>	Has the meaning described in the <i>Service Target Performance Incentive Scheme</i> .
<i>Special meter reading</i>	An actual meter reading performed to support an out of cycle customer billing or consumption request.
<i>Simple commercial/industrial connection low voltage</i>	<p>Single/multi-phase customer service connection and, as an example, may involve the following:</p> <ul style="list-style-type: none"> one or more spans of overhead service wire; road crossing (overhead or underground). small LV extension or augmentation of overhead and/or underground mains.
<i>Simple embedded generation connection low voltage</i>	<p>Single/multi-phase customer connection service, and /or:</p> <ul style="list-style-type: none"> one span of overhead service wire or standard underground service wire and/or road crossing; and meter upgrade.
<i>Simple residential connection low voltage</i>	<p>Single/multi-phase customer connection service; and /or:</p> <ul style="list-style-type: none"> one span of overhead service wire or standard underground service; and/or an overhead road crossing.
<i>Standard Control Operating Expenditure</i>	Operating expenditure relating to standard control services.
<i>Standard control service</i>	A direct control service that is subject to a control mechanism based on a Distribution Network Service Provider's total revenue requirement (as defined in the NER).
<i>Standard Life</i>	<p>An asset's Standard Life is the estimated period after installation of the new asset during which the asset will be capable of delivering the same effective service as it could at its installation date.</p> <p>The period of effective service needs to consider the life cycle costs between keeping the asset in commission and replacing it with its modern equivalent.</p> <p>Life cycle costs of the asset include those associated with the design, implementation, operations, maintenance, renewal and rehabilitation, depreciation and cost of finance.</p>

	Mean and standard deviation of the standard life is derived from the standard lives of the asset population.
<i>Subdivision connection</i>	The subdivision connection category is intended to capture expenditure incurred in connecting un-reticulated lots or areas to the distribution network for residential subdivisions.
<i>Subsequent Regulatory Years</i>	Each Regulatory Year commencing from 2014 for which DNSP must update the <i>Regulatory Templates</i> for Actual Information.
<i>Substation</i>	Has the meaning prescribed in the National Electricity Rules.
<i>Subtransmission substation</i>	A substation on a distribution network that transforms any voltage to levels above 22 kV and is not a bulk supply point.
<i>Subtransmission</i>	Assets that distribute electricity at voltage levels between the transmission system and the HV section of the network. The connection boundaries are the outgoing terminals at the transmission terminal station to the incoming terminals of the HV circuit breakers at the zone substations.
<i>Subtransmission assets</i>	Assets that distribute electricity at voltage levels between the transmission system and the HV section of the network. The connection boundaries are the outgoing terminals at the transmission terminal station to the incoming terminals of the HV circuit breakers at the zone substations.
<i>Summer peaking</i>	Maximum demand experienced over the period 1 October to 31 March.
<i>Switchgear</i>	These are assets used to control, protect and isolate segments of the network This includes disconnect switches, fuses, circuit breakers, reclosers, sectionalises, etc. It excludes any pole mounted assets that are included in any other asset group.
<i>Switching</i>	Temporary changes in network configuration and restoration made by DNSP for operational reasons.
<i>Switching station</i>	A station that connects to multiple circuits but does not contain a transformer.
<i>Transfers</i>	Permanent (or indefinite) changes in network configuration made by DNSP usually to manage demand growth.
<i>Transformers</i>	These are assets used to transform between voltage levels within the network This includes all its components such as the cooling systems and tap changing equipment (where installed) It excludes any pole mounted assets that are included in any other asset group. For the avoidance of doubt, this does not include instrument transformers as defined in the National Electricity Rules.
<i>Tree replacement program costs</i>	All costs (excluding overheads) associated with the management, purchase, planting and maintenance of vegetation that are incurred as a result of replacing vegetation within, or directly associated with, the business' <i>vegetation management</i> practices.
<i>Underground cables</i>	These assets have the primary function of distributing power, below ground, within the distribution network. This includes cable ends, joints, terminations and associated hardware and equipment (e.g. surge diverters, etc.) It excludes any pole mounted assets that are included in any other asset group. It also excludes cable tunnels, ducts, pipes and pits.
<i>Underground connection</i>	A physical link between the distribution system and a customer's premises running underground from a pole or service pit to the customer's premises.
<i>Unplanned vegetation events</i>	System outages and fire starts caused by either <i>vegetation grow-ins</i> ,

	<i>vegetation blow-ins</i> or <i>vegetation fall-ins</i> .
<i>Urban</i>	In the context of capex and opex data, and related volume/ non-financial variables, refers to costs and works on an <i>Urban feeder</i> and all assets downstream of that feeder.
<i>Urban feeder</i>	Has the meaning described in the <i>Service Target Performance Incentive Scheme</i> .
<i>Variable</i>	Words or numerical values inputted into the <i>regulatory templates</i>
<i>Vegetation blow-ins</i>	Wind-borne tree limbs or bark, coming into contact with DNSP's network assets
<i>Vegetation grow-ins</i>	Vegetation that has grown into the standard clearance area, coming into contact with DNSP's network assets
<i>Vegetation corridor</i>	An area that has been cleared of trees and undergrowth, slashed or mown to create a 'corridor' free of significant vegetation.
<i>Vegetation fall-ins</i>	Vegetation falling onto a NSP's network assets
<i>Vegetation management</i>	<p>Expenditure attributed to activities that:</p> <ul style="list-style-type: none"> • are primarily directed at removing, altering, or managing vegetation to maintain safe or regulated clearances from distribution or transmission assets; and • are not emergency or fault related activities; and • are not initiated by a request from a distribution or transmission customer, excluding customers that are network service providers; and • are not activities for which expenditure could be attributed to the AER expenditure category 'Augmentation, replacement, or non-routine maintenance activities triggered by a changed regulatory obligation or requirement'; and • are not activities for which expenditure could be attributed to the AER expenditure category 'Augmentation, replacement, or non-routine maintenance activities triggered by a changed internal standard'. • include tree cutting, undergrowth control, root management, waste disposal, use of herbicide and growth retardants, and encouragement of low-growth vegetation to prevent the establishment of high-growth vegetation. <p>includes:</p> <ul style="list-style-type: none"> • pre-cutting/trimming inspections; and • inspections of vegetation to ensure that activities have been undertaken appropriately; and • liaison with affected residents and landowners including the issue of trim/cut notices, and follow up calls on notices; and • operational support such as any temporary generation used during the activity; and • operational support such as any temporary generation used during the activity; and <p>does not include such items as "beautification" works, lawn mowing e.g. from natures strips, or office gardens, interior plant and aesthetic vegetation works.</p>
<i>Vegetation management zone</i>	A segment of the distribution network distinguished from other vegetation management segments by material differences in recognised cost drivers.
<i>Voltage</i>	Has the meaning prescribed in the National Electricity Rules
<i>Wasted service visit</i>	Where a request is received for a service truck visit and the service is not required and insufficient notice is provided by the customer.
<i>Weather correction</i>	The removal of the impact of temperature fluctuations so as to derive a maximum demand measure corrected to a probability of exceedance (PoE), usually 50% PoE and/or 10% PoE.

<i>Winter peaking</i>	Maximum demand experienced over the period 1 April to 30 September.
<i>Works management (network overhead)</i>	Within the context of the project governance and related functions category, works management means all costs associated with coordinating, planning, programming and controlling the NSPs portfolio of works.
<i>Zone substation</i>	A substation on a distribution network that transforms any voltage above 22 kV to levels at or below 22 kV but above 1 kV.
<i>Zone substation equipment maintenance</i>	<p>Maintenance of zone substations, equipment to convert sub transmission voltage to distribution voltage, current transformers, voltage transformers and associated secondary protection and communication equipment.</p> <p>Includes all direct costs (labour, material, contract, motor vehicle); maintenance of sub transmission switchgear; inspecting, testing and maintaining zone substations primary and secondary equipment, apparatus and hardware; transformers, earthing, surge diverters, isolators, protection and communication directly associated with the substation.</p> <p>Excludes upgrades and replacements which should be capex; Zone Substation Property Maintenance.</p> <p>Physical measure: Number of projects completed by zone substation.</p>
<i>Zone substation property maintenance</i>	<p>Includes all direct costs (labour, material, contract, motor vehicle); maintenance of site including buildings, fences and cleaning; weed control.</p> <p>Excludes Zone Substation Equipment Maintenance and Zone Substation Transformer Maintenance</p> <p>Physical measure: Number of zone substation properties maintained</p>
<i>Zone substation transformers maintenance</i>	<p>A subset of Zone Substation Equipment Maintenance. Maintenance of all transformers in zone substations and associated secondary protection and communication equipment.</p> <p>Includes all direct costs (labour, material, contract, motor vehicle); maintenance of HV to LV transformers; inspecting, testing and maintaining transformer equipment, apparatus and hardware; protection and communication directly associated with the zone substation.</p> <p>Excludes upgrades and replacements of transformers which should be capex; maintenance of zone substation equipment other than transformers under Zone Substation Equipment Maintenance.</p> <p>Physical measure: Number of installed voltage transformers by zone substation</p>