

---

**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 520  
Melbourne VIC 3001**

# 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) For Unaudited Information (applicable to the Initial Regulatory Years only):
  - (a) provide the information specified in Schedule 1 to this Notice;
  - (b) prepare and maintain the information in the manner and form specified in Schedule 2 to this Notice; and

deliver the said information electronically to [AERInquiry@aer.gov.au](mailto:AERInquiry@ aer.gov.au), on or before 5 pm Australian Eastern Daylight Time on Monday, 3 March 2014.

(2) For Audited Information:

- (a) provide the information specified in Schedule 1 to this Notice;
- (b) prepare and maintain the information in the manner and form specified in Schedule 2 to this Notice;
- (c) verify, using the statutory declaration in Appendix C 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](mailto:AERInquiry@ aer.gov.au), on or before 5 pm Australian Eastern Standard Time on:

- (i) Wednesday, 30 April 2014 for information relating to the Initial Regulatory Years; and
- (ii) For each Subsequent Regulatory Year, the last *Business Day* of the fourth month following the expiration of that Regulatory Year (or the next *Business Day* if this day is not a *Business Day*)

**Explanatory note:** DNSP must provide the information for the 2014 Regulatory Year on Friday, 31 October 2014; the information for the 2015 Regulatory Year on Monday, 2 November 2015 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 E to this Notice.

## DEFINITIONS AND INTERPRETATION

In this Notice, unless the contrary intention appears:

- the terms italicised in this Notice have the same meaning as they do in the NEL or the NER;
- 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 general terms in the table below have the meaning set out in the table below.

| General terms      | Definition   |
|--------------------|--|
| Actual Information | 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. |

'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 DNSP'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.

|  |  |
|--|--|
| AER                                    | Australian Energy Regulator  |
| Audit Report                           | An Auditor's audit report as required by this Notice and prepared in accordance with the requirements set out in Appendix D of this Notice   |
| Audited Information                    | Information that has been reviewed by an Auditor in accordance with the requirements of this Notice. Information for the five most recent Initial Regulatory Years (2009 to 2013) and for each Subsequent Regulatory Year must be reviewed by an Auditor.  |
| Audited Statutory Financial Statements | The audited set of financial statements prepared in accordance with the <i>Corporations Act 2001</i> (Cth) and Australian Accounting Standards   |
| Auditor                                | A person or persons who satisfies the requirements of section 2 of Appendix D of this Notice   |
| Basis of Preparation                   | <p>The basis upon which DNSP prepares information to:</p> <ul style="list-style-type: none"> <li>• populate the input cells in the Microsoft Excel Workbooks attached at Appendix A; and</li> <li>• prepare other information prepared in accordance with the requirements of this Notice and the instructions and definitions</li> </ul>  |
| CAM                                    | DNSP's Cost Allocation Method as approved by the AER   |
| Confidentiality Guideline              | The AER's guideline for the treatment of confidential information, entitled ' <i>Better Regulation Confidentiality Guideline</i> ' dated November 2013, and any subsequent versions. This Guideline is available at <a href="http://www.aer.gov.au/node/18888">http://www.aer.gov.au/node/18888</a> .  |
| Estimated Information                  | 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. |
| DNSP                                   | NSP Name (ACN XXX XXX XXX)   |
| Financial Information                  | Information that is measured in monetary terms   |
| Initial Regulatory Years               | <p>The back cast data set. This is the 2006 to 2013 Regulatory Years.</p> <p><b>Explanatory note:</b> For NSPs whose regulatory reporting is on a financial year (April to March or July to June) basis, the 2006</p>  |

*Regulatory Year is the 2005/2006 financial year and the 2013 Regulatory Year is the 2012/2013 financial year.*

|                                  |   |
|----------------------------------|---|
| NEL                              | National Electricity (STATE) Law  |
| NER                              | National Electricity Rules  |
| Non-financial Information        | Information that is not measured in monetary terms  |
| Notice                           | This Regulatory Information Notice, including any attached Schedules and Appendices   |
| Regulatory Accounting Statements | The financial reports revealing the performance and financial situation of DNSP. 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.  |
| Regulatory Year                  | <p>Each consecutive period of 12 calendar months in a <i>Regulatory Control Period</i> (under the NER) or equivalent regulatory period under a preceding regulatory framework. The first such 12 month period commences at the beginning of the <i>Regulatory Control Period</i> (or equivalent regulatory period, as the case may be) and the final 12 month period ends at the end of the <i>Regulatory Control Period</i> (or equivalent regulatory period, as the case may be).</p> <p><b><i>Explanatory note:</i></b> For NSPs whose regulatory reporting is on a financial year (April to March or July to June) basis, the Regulatory Year has a 6 month lag. That is, the 2013 Regulatory Year is the 2012/2013 financial year.</p> |
| Related Body Corporate           | A body corporate that would be deemed to be a related body corporate by section 50 of the <i>Corporations Act 2001</i> (Cth)  |
| Representative                   | Includes a director, employee, servant, agent and contractor  |
| Review Report                    | 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   |
| Subsequent Regulatory Years      | Looking forward, each Regulatory Year commencing with the 2014 Regulatory Year.   |
| Unaudited Information            | Financial Information and Non-financial Information that has not been reviewed by an Auditor in accordance with the requirements of this Notice. Unaudited Information is applicable only to the Initial Regulatory Years.  |
| Variable                         | Economic benchmarking information requiring input from DNSP in the Microsoft Excel Workbooks attached at Appendix A, which are contained in column B of the worksheets entitled '2. Revenue' to '8. Operating Environment'.   |

DATED: 28 November 2013

.....  
Andrew Reeves  
Chair

## 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 Microsoft Excel workbooks attached at Appendix A, completed in accordance with this Notice and the instructions and definitions in the document attached at Appendix B.
- 1.2 Provide, in accordance with this Notice and the instructions and definitions in the document attached at Appendix B, a Basis of Preparation demonstrating how DNSP has complied with the Notice, in respect of:
  - (a) each Variable in each of the worksheets entitled '2. Revenue' to '8. Operating Environment'; and
  - (b) any other information prepared in accordance with the requirements of this Notice and the instructions and definitions in the document attached at Appendix B.
- 1.3 Provide any other supporting information or documentation used to comply with the requirements of this Notice.
- 1.4 Provide the Audit Report and Review Reports as applicable, prepared in accordance with the requirements of this Notice and the instructions and definitions in the document attached at Appendix B.
- 1.5 If DNSP makes a claim for confidentiality over any information provided in accordance with this Notice, DNSP must:
  - (a) comply with the requirements of the AER's Confidentiality Guideline; and
  - (b) provide, in addition to a confidential version of any information, a version of the information that may be *published* by the AER.
- 1.6 Provide the information up to 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 workbooks 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 C and audited or reviewed (as appropriate) in accordance with Appendix D.

#### 2. PREPARE INFORMATION

- 2.1 Prepare the Microsoft Excel Workbooks attached at Appendix A in the manner and form specified in the worksheets therein and in accordance with the instructions and definitions in the document attached at Appendix B.
- 2.2 Prepare a Basis of Preparation in accordance with the requirements specified in Schedule 1. The Basis of Preparation must, for each Variable and any other information:
  - (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:
    - (1) 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 Variable);
    - (2) 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.
- 2.3 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;
- 2.4 Prepare, for each Subsequent Regulatory Year, in accordance with this Notice and the instructions and definitions in the document attached at Appendix B, an updated version of the Microsoft Excel Workbooks attached at Appendix A by:
- (a) adding an additional column to each of the worksheets entitled '*2. Revenue*' to '*8. Operating Environment*'; and
  - (b) populating the additional columns with the Actual Information or Estimated Information (as applicable) for the relevant Subsequent Regulatory Year.
- 2.5 Prepare, using a person(s) who satisfies the requirements of paragraph 2 of Appendix D, an Audit Report and Review Report(s) (as applicable) in accordance with the requirements of this Notice and the instructions and definitions in the document attached at Appendix B.

### **3. MAINTAIN INFORMATION**

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

## APPENDIX A

### ECONOMIC BENCHMARKING DATA TEMPLATES

See attached Microsoft Excel spread sheets titled:

1. ***“DNSP economic benchmarking data templates – Consolidated Information.xlsx”***
2. ***“DNSP economic benchmarking data templates – Actual Information.xlsx”***
3. ***“DNSP economic benchmarking data templates – Estimated Information.xlsx”***

## APPENDIX B

### ECONOMIC BENCHMARKING DATA TEMPLATE INSTRUCTIONS AND DEFINITIONS

See attached document: “*Economic benchmarking RIN for distribution network service providers – Instructions and Definitions.pdf*”

**APPENDIX C**  
**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,<sup>1</sup>

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 <sup>4</sup>

on <sup>5</sup>

of <sup>6</sup>

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 D**  
**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 worksheets titled '2. Revenue', '3. Opex' and '4. Assets (RAB)' in the Microsoft Excel Workbooks attached at Appendix A;
- (b) Estimated Financial Information in worksheets titled '2. Revenue', '3. Opex' and '4. Assets (RAB)' in the Microsoft Excel Workbooks 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 worksheets titled '2. Revenue', '3. Opex', '4. Assets (RAB)', '5. Operational data', '6. Physical assets', '7. Quality of services' and '8. Operating Environment' of the Microsoft Excel Workbooks attached at Appendix A; and
- (d) The Basis of Preparation prepared by DNSP in accordance with the requirements of this Notice and the instructions and definitions in the document attached at Appendix B.

1.2 For the Initial Regulatory Years, the information subject to audit or review in paragraph 1.1 is limited to the Regulatory Years from 2009 to 2013, inclusive.

1.3 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 E**  
**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* in providing *direct control services* 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);
- Economic Insights' report on the economic benchmarking of electricity network service providers, prepared for the AER (June 2013);
- 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 statements for the draft and final economic benchmarking regulatory information notices (September 2013 and November 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/21836>.

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 Guidelines (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.