Basis of Preparation _ Annual RIN

2017/18 Response to Annual RIN (Base date December 2013)
Issued 31 October 2018

Purpose

The RIN requires Ausgrid to prepare a Basis of Preparation. By this, the AER means that for every variable in the Templates, Ausgrid must explain the basis upon which we prepared information to populate the input cells. The Basis of Preparation must be a separate document (or documents) that Ausgrid submits with its completed Templates. The AER will publish Ausgrid's Basis of Preparation along with the Templates.

The AER has set out what must be in the Basis of Preparation. This is set out below:

	Requirements of Basis of Preparation
1	Demonstrate how the information provided is consistent with the requirements of the Notice
2	Explain the source from which Ausgrid obtained the information provided
3	Explain the methodology Ausgrid applied to provide the required information, including any assumptions Ausgrid made
4	In circumstances where Ausgrid cannot provide input for a Variable using Actual Information, and therefore must use an estimate, explain: (i) why an estimate was required, including why it was not possible for Ausgrid to use Actual Information; (ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in the Notice.
5	For Variables that contain Financial Information (Actual or Estimated) the relevant Basis of Preparation must explain if accounting policies adopted by Ausgrid 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. Ausgrid may provide additional detail beyond the minimum requirements if Ausgrid considers it may assist a user to gain an understanding of the information presented in the Templates. In relation to providing an audit opinion, or making an attestation report on the Templates presented by Ausgrid, an auditor or assurance practitioner shall provide an opinion or attest by reference to Ausgrid's Basis of Preparation.

Structure of this document

The document is structured as follows:

- We outline our general approach to developing our response to the RIN.
- We set out our response to worksheets 3.1 to 3.7, in accordance with the AER's instructions.

General approach

- In this section, we identify our general approach to collecting and preparing information.
- **Systems used to provide data**
- Where data has been sourced directly from Ausgrid's financial and other information systems this system has been identified. Similarly where estimated data is based on data sourced from Ausgrid's systems those systems are identified.
- **Process used to determine if information is actual or estimated**
- Where Actual Information is not able to be derived from Ausgrid's financial and information systems, then information has been estimated on the basis which Ausgrid considers provides the best available estimate. In circumstances where the AER has recommended an approach for estimating, that approach has been followed as far as practicable and reasons for variations have been identified and explained.

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
2.11 Labour 2.11.3.1 - Opex	Actual	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements. The financial data provided in this submission is for the full year ended 30 June 2018.	N/A as financial data is actuals	Table 2.11.3.1 Opex has been prepared in accordance with Ausgrid's CAM. Costs relating to operating expenditure listed in table 2.11.3.1 have been extracted from SAP via the TM1 cube for 2017/18 according to operating expenditure allocated to Standard Control Services. In-house labour expenditure is equivalent to total labour expenditure less labour expenditure outsourced to related parties and labour expenditure outsourced to unrelated parties. This definition was provided to Ausgrid, by Kaye Johnston from the Australian Energy Regulatory on 15 February 2016. Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes (e.g. payroll and fringe benefits taxes), termination and redundancy payments, workers compensation, labour hire costs, training and study assistance, purchases made on behalf of employees (e.g. protective clothing). This is as per the labour expenditure definition set out in Appendix [F] of the Annual Regulatory Reporting RIN. Uncontrollable non-labour expenditure as defined in Appendix F of the Annual Regulatory Reporting RIN issued on 3 February 2016 relates to all non-labour expenditure over which Ausgrid has no control. Uncontrollable non-labour expenditure is imposed by an independent government body (federal, state or local) where Ausgrid has no ability to influence any amount of the expenditure incurred by the manner in which Ausgrid operates its business. Such costs include solar feed in tariff payments, jurisdictional levies/taxes and local government rates.	N/A	The information reported in Table 2.11.3 is consistent with the requirements of AER's Annual Regulatory Reporting RIN issue on 3 February 2016 and are derived from the audited statutory financial statements and in accordance with Ausgrid's Cost Allocation Methodology (CAM).	N/A
2.11 Labour TABLE 2.11.3 - LABOUR/NON-LABOUR EXPENDITURE SPLIT	Actual	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements. The financial data provided in this submission is for the full year ended 30 June 2018.	N/A as financial data is actuals	Table 2.11.3.1 Opex Table 2.11.3.1 Opex has been prepared in accordance with Ausgrid's CAM. Costs relating to operating expenditure listed in table 2.11.3.1 have been extracted from SAP via the TM1 cube for 2017/18 according to operating expenditure allocated to Standard Control Services. In-house labour expenditure is equivalent to total labour expenditure less labour expenditure outsourced to related parties and labour expenditure outsourced to unrelated parties. This definition was provided to Ausgrid, by Kaye Johnston from the Australian Energy Regulatory on 15 February 2016. Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes (e.g. payroll and fringe benefits taxes), termination and redundancy payments, workers compensation, labour hire costs, training and study assistance, purchases made on behalf of employees (e.g. protective clothing). This is as per the labour expenditure definition set out in Appendix [F] of the Annual Regulatory Reporting RIN.	N/A	The information reported in Table 2.11.3 is consistent with the requirements of AER's Annual Regulatory Reporting RIN issue on 3 February 2016 and are derived from the audited statutory financial statements and in accordance with Ausgrid's Cost Allocation Methodology (CAM).	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
				Uncontrollable non-labour expenditure as defined in Appendix F of the Annual Regulatory Reporting RIN issued on 3 February 2016 relates to all non-labour expenditure over which Ausgrid has no control. Uncontrollable non-labour expenditure is imposed by an independent government body (federal, state or local) where Ausgrid has no ability to influence any amount of the expenditure incurred by the manner in which Ausgrid operates its business. Such costs include solar feed in tariff payments, jurisdictional levies/taxes and local government rates.			
2.11 Labour TABLE 2.11.3 - LABOUR/NON-LABOUR EXPENDITURE SPLIT	Actual	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements. The financial data provided in this submission is a full year view for year ended 30 June 2018.	N/A	Table 2.11.3.2 Capex has been prepared in accordance with Ausgrid's CAM. Costs relating to capital expenditure reported in table 2.11.3.2 are sourced from Ausgrid's Corporate Reporting System Business Intelligence (BI). This system reports information directly out of SAP. In-house labour expenditure is equivalent to total labour expenditure less labour expenditure outsourced to related parties and labour expenditure outsourced to unrelated parties. This definition was provided to Ausgrid, by Kaye Johnston from the Australian Energy Regulatory on 15 February 2016. Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes (e.g. payroll and fringe benefits taxes), termination and redundancy payments, workers compensation, labour hire costs, training and study assistance, purchases made on behalf of employees (e.g. protective clothing). This is as per the labour expenditure definition set out in Appendix [F] of the Annual Regulatory Reporting RIN. Ausgrid does not have any uncontrollable non-labour expenditure which is capitalised. The capex reported on table 2.11.3.2 does not agree to the capex reported in table 8.2.1 Capex by purpose because table 8.2.1 Capex by purpose includes capital contributions. Ausgrid does not record capital contributions as capital expenditure in the BI system as capital contributions are gifted assets (please refer to the BoP for table 8.2.5 Capital Contribution by purpose for more information) and therefore are directly added to the Fixed Asset register from customers and developers.	N/A	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and Statement of Accounting Treatments (SATs), company policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements. The financial data provided in this submission is a full year view for the year ended 30 June 2018.	N/A
2.11 Labour 2.11.3.2 - CAPEX	Actual	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the	N/A	Table 2.11.3.2 Capex has been prepared in accordance with Ausgrid's CAM.	N/A	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements. The financial data provided in this submission is a full year view for year ended 30 June 2018.		Costs relating to capital expenditure reported in table 2.11.3.2 are sourced from Ausgrid's Corporate Reporting System Business Intelligence (BI). This system reports information directly out of SAP. In-house labour expenditure is equivalent to total labour expenditure less labour expenditure outsourced to related parties and labour expenditure outsourced to unrelated parties. This definition was provided to Ausgrid, by Kaye Johnston from the Australian Energy Regulatory on 15 February 2016. Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes (e.g. payroll and fringe benefits taxes), termination and redundancy payments, workers compensation, labour hire costs, training and study assistance, purchases made on behalf of employees (e.g. protective clothing). This is as per the labour expenditure definition set out in Appendix [F] of the Annual Regulatory Reporting RIN. Ausgrid does not have any uncontrollable non-labour expenditure which is capitalised. The capex reported on table 2.11.3.2 does not agree to the capex reported in table 8.2.1 Capex by purpose because table 8.2.1 Capex by purpose includes capital contributions. Ausgrid does not record capital contributions as capital expenditure in the BI system as capital contributions are gifted assets (please refer to the BoP for table 8.2.5 Capital Contribution by purpose for more information) and therefore are directly added to the Fixed Asset register from customers and developers.		line of business view of the financial information. Ausgrid also has in place finance policies and Statement of Accounting Treatments (SATs), company policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements. The financial data provided in this submission is a full year view for the year ended 30 June 2018.	
3.6 Quality of Service 3.6.6.1 - TECHNICAL QUALITY OF SUPPLY	Actual	Quality of Supply complaints data is sourced from the SAP system via a Business Objects report (Network Complaints Performance Report).	No instances of information that cannot be provided.	Quality of Supply complaints data is sourced from the SAP system via the Business Objects reporting tool (Network Complaints Performance Report). The report is downloaded from Business Objects into Excel, and volume of complaints directly transposed to RIN template.	N/A"	Section 3.6.6 of the annual RIN reporting template requires information on complaints - technical quality of supply.	N/A
3.6 Quality of Service 3.6.7.1 - TIMELY PROVISIONS OF SERVICES	Actual	Timely provision of services Information relating to number of new and existing connections, provided by the licence holder is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. Information relating to the number of connections not provided on or before the agreed date is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The	No estimations were made.	Timely provision of services 'Number of connections made' is defined as the total number of connections provided by the Licence Holder for existing & new premises where the Licence Holder undertook the work. Information is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. 'Number of connections not made on or before agreed date' is defined as the number of connections not provided on or before the agreed date, where the connection was for a new or	N/A	Section 3.6.7.1 of the annual RIN reporting template requires information on number of connections made and the number of connections not provided on or before the agreed date. Using the required reporting applications, data supplied is true and correct to the best of my ability.	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		report lists all payments under the GSL scheme; this year the only payments made related to street lighting, there were no connection-related GSL payments.		existing premise, and the Licence Holder undertook the work. Information is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting, there were no connection-related GSL payments.			
3.6 Quality of Service 3.6.7.2 - TIMELY REPAIR OF FAULTY STREET LIGHTS	Actual	Street lights - average monthly number "out" The Source of data is initially entered into the SAP PM (Plant Maintenance) database and then placed into the Business Objects Universe on a nightly basis. Using the Business Objects Universe, a report is then executed on a monthly basis to extract all customer raised street lighting jobs. These jobs have a notification of type "ML". All jobs will be displayed within the count. Street lights - not repaired by "fix by" date The Source of data is initially entered into the SAP PM (Plant Maintenance) database and then placed into the Business Objects Universe on a nightly basis. Using the Business Objects Universe, a report is then executed on a monthly basis to extract all customer raised street lighting jobs. These jobs have a notification of type "ML". Street lights - average number of days to repair The Source of data is initially entered into the SAP PM (Plant Maintenance) database and then placed into the Business Objects Universe on a nightly basis. Using the Business Objects Universe, a report is then executed on a monthly basis to extract all customer raised street lighting jobs. These jobs have a notification of type "ML". Total number of street lights he Source of data is initially entered into the SAP PM (Plant Maintenance) database. SAP transaction ZSD0014 is then used to extract the street lighting inventory for each month. The street lighting inventory that was extracted at the end of June 2018 was used to determine the total number of street lights. Additionally refer to linked to SAP Data Extraction Guideline, under Quality of Supply.	No estimations were made.	Street lighting Street lighting data has been extracted from SAP through Business Objective Reports. Refer to linked to SAP Data Extraction Guideline, under Quality of Supply.	N/A	Using the required reporting applications, data supplied is true. Faults provided are from our Online Street Lighting Reporting Portal and have not excluded any major event days	N/A

<table>
<tr><th>Sheet/Table /Rule</th><th>Estimated/Actual</th><th>Data Source</th><th>Why Estimated</th><th>Methodology</th><th>Assumptions</th><th>Consistency Information</th><th>Additional Comments</th></tr>
<tr><td>3.6 Quality of Service 3.6.7.3 - CALL CENTRE PERFORMANCE</td><td>Actual</td><td>The Ausgrid Contact Centre reporting is captured in a number of Genesys tables from 6.30am - 10.00pm and in an Alcatel Application (CCSupervision) from 10.00pm - 6.30am.

Business Objects and Interactive Insights are the reporting application that combines both the Genesys and Alcatel data and provides a combined result across all queues and call types.</td><td></td><td>Once run in Business Objects and Interactive insights, filters are applied to the report to exclude all call types except Emergency/Hazard calls and populated in the Annual RIN.</td><td>N/A</td><td>Using the required reporting applications, data supplied is true and correct to the best of my ability.

Call volumes provided are from our Emergency/Hazards lines and have excluded any major event days.</td><td>N/A</td></tr>
<tr><td>3.6.8 Network Feeders 3.6.8 - NETWORK FEEDER RELIABILITY</td><td>Estimated</td><td>Source of information

Data used to populate tables has been taken from outage event records located in Ausgrid Outage Management System (OMS) and its related reporting environment, Network Outage and Reporting Database (NORD).

Final outage event records are manually entered into OMS after outage events. Fields within each record are entered both automatically and manually and are subject to quality assurance checks.

Information for interruptions affecting single premises is sourced directly from OMS with completion information from Ausgrid Customer Aided Service System (CASS) which interfaces to OMS. For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is reconciled into OMS post event. This information is validated against existing OMS records and manually entered into OMS as required by an Ausgrid officer.

OMS outage event records include the following fields:

Date of event
Time of interruption
Time of restoration[
Event trigger
Number of Customers Interrupted (CI)</td><td>Refer to 'Key assumptions used in methodology' section above, in particular parts 4, 7 and 11 for details.</td><td>Key elements of the methodology:

1. A Business objects report AER RIN 2017 - 18 Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 Annual AER.xls has been extracted from the reporting environment on 31/08/18) for the 2018 regulatory year. The report contains the following key information (Events are classified as "excluded" in accordance with Clause 3.3 of the STPIS which aligns with the definitions in Appendix F).

a) An unplanned event list that details the CI and CMI for each event at feeder level.

b). An excluded event list that details the CI and CMI for each event at feeder level (verified against STPIS Clause 3.3 (a)).

c) A planned event list that details the CI and CMI for each event at feeder level.

2. Copy feeder event attributes directly from AER RIN 2016- 17 Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 into table 3.6.8 as per the table below:

<table><tr><th>Outage event attribute</th><th>Table 3.6.8</th></tr><tr><td>Feeder</td><td>Feeder ID / name</td></tr><tr><td>Zone</td><td>Description of the service area for the feeder</td></tr><tr><td>Feeder category</td><td>Feeder classification</td></tr><tr><td>Customers Fed</td><td>Number of distribution customers (average)</td></tr><tr><td>Unplanned</td><td>Total number of unplanned outages</td></tr><tr><td>Planned</td><td>Total number of planned outages</td></tr></table></td><td></td><td>The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.</td><td>N/A</td></tr>
</table>

<table>
<tr><th>Sheet/Table /Rule</th><th>Estimated/Actual</th><th>Data Source</th><th>Why Estimated</th><th>Methodology</th><th>Assumptions</th><th>Consistency Information</th><th>Additional Comments</th></tr>
<tr>
<td></td>
<td></td>
<td>Number of Customer Minutes Interrupted (CMI)

Feeder ID

Event Hierarchy

Exclusion Flag

Exclusion Reason

OMS automatically calculates CI and CMI by combining the following information:

-Electrical connectivity details from Ausgrid Graphical Information System (GIS)

- Interruption and restoration steps as recorded by System Operators

-National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B) systems.

The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic on the basis of manually entered interruption and switching steps. Information from SAP, CCS and B2B are used to exclude inactive NMIs (permanently disconnected) from the calculation of CI and CMI.

The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI and SAIFI are also added to records within the reporting environment. The reporting environment facilitates the extraction of information into to a range of Business Objects reports. The reporting environment also contains reference tables maintained within NORD. One reference table contains feeder categorisation and is reviewed on an annual basis.

A report (AER RIN DAILY ACTIVE NMIS & DAILY ACTIVE NMIS FED Ver 1.2 ANNUAL AER.xls) for the 2018 regulatory year was generated from the reporting environment on 31/08/2018. Each report contains a list of outage events with the following key attributes:

l Feeder ID

Zone</td>
<td></td>
<td>3 The table below details the calculation of some of the variables in Table 3.6.8 Network feeders

<table>
<tr><th>Variable</th><th>Calculation</th></tr>
<tr><td>Unplanned Customer minutes off Supply - Including excluded events and MEDs</td><td>For the regulatory year:

1. Calculate the sum of the unplanned CMI MED for each feeder (a);

2. Calculate the sum of the excluded events CMI for each feeder (b);

3. Calculate the sum of the unplanned CMI exclusive of both MED and excluded events for each feeder (c);

4. Sum (a) + (b) + (c) for each feeder.</td></tr>
<tr><td>Unplanned Customer minutes off Supply -after removing excluded events and MED</td><td>For the Regulatory year:

1. Calculate the sum of the unplanned CMI exclusive of MED and excluded events for each feeder (c);</td></tr>
<tr><td>Unplanned interruptions SAIFI - Including excluded events and MEDs</td><td>For the regulatory year:

1. Calculate the sum of the unplanned SAIFI MED for each feeder (d);2. Calculate the sum of the excluded SAIFI for each feeder (e);3. Calculate the sum of the unplanned SAIFI exclusive of both MED and excluded events for each feeder (f);4. Sum (d) + (e) + (f) for each feeder.</td></tr>
<tr><td>Unplanned interruptions SAIFI - after removing excluded events and MED</td><td>For the Regulatory year:

1. Calculate the sum of the unplanned SAIFI exclusive of both MED and excluded events for each feeder (f);</td></tr>
<tr><td>Planned Customer minutes off Supply - Including MEDs</td><td>For the regulatory year:

1. Calculate the sum of the planned CMI inclusive of MED for each feeder (g);</td></tr>
<tr><td>Planned Customer minutes off Supply - after removing MED</td><td>For the regulatory year:

1. Calculate the sum of the planned CMI exclusive of MED for each feeder (h);</td></tr>
<tr><td>Planned interruptions SAIFI - Including MEDs</td><td>For the regulatory year:

1. Calculate the sum of the planned SAIFI inclusive of MED for each feeder (i) ;</td></tr>
<tr><td>Planned interruptions SAIFI - after removing MED</td><td>For the regulatory year:

1. Calculate the sum of the planned SAIFI exclusive of MED for each feeder (j);</td></tr>
</table>
</td>
<td></td>
<td></td>
<td></td>
</tr>
</table>

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		lFeeder Category Reporting Category Number of Customers Interrupted (CI) Number of Customer Minutes Interrupted (CMI) Feeder Level SAIFI Exclusion Flag Unplanned and Planned Outages Separate entries appear in the list if a single event affected multiple feeders. The report does not contain momentary interruptions of duration one minute or less. The source data for planned interruptions is from two databases; LID for the Newcastle control room and Disconnect Reconnect Order System (DAROS) for the Sydney Control Room. For the 2018 regulatory year planned outages from both LID and DAROS were manually entered into OMS. For planned events all measures relating to Planned events are not complete as the times recorded for planned events managed by the Sydney Control Room reflect the period in which the outage was expected to occur, not the actual off and on times customers experienced. Verified to be calculated in accordance with the assumptions below.		<u>Key Elements of the Methodology:</u> 1. A Business Objects report (*AER RIN DAILY ACTIVE NMIS & DAILY ACTIVE NMIS FED Ver 2 ANNUAL AER.xls*) was extracted from the reporting environment on (31/08/2018) for the 2018 regulatory year. The report provides the summarised results for events as required for the templates and tables described. All the information is copied into the relevant RIN tables, with only minor modification to suit the RIN's formatting and consolidation requirements. The only "manual" processing is for Template 3.6.8. Table 1 whereby the line lengths, maximum demand and energy not supplied is provided from another source. 2. It is recognised that the feeder category and number of customers may change throughout the year and therefore that data is as at the end of the 2017/18 year. <u>Key assumptions used in methodology:</u> 1. All outage event attributes are correctly entered in OMS. 2. Feeder category reference tables are accurate. 3. The NMI connectivity details in GIS are correct at the time of outages, or that any errors are managed through manual processes to determine the actual customers affected by an event, or by holding out outage event records in the OUTAGES_NOT_IN_OMS table until GIS updates are received. 4. SAIFI calculations are performed using daily customer counts. Ausgrid has consistently adopted this approach for the calculation of all reliability metrics because average customer counts do not result in stable metrics suitable for trend analysis due to the constant adding, removing and reconfiguring of feeders. 5. All unmetered customers are excluded from calculations. 6. All active customers are included in the calculation of reliability metrics. All inactive customers are excluded in the calculation of reliability metrics. The following assumptions regarding customer counting have been made: Active = Energised + De-energised Inactive = Extinct = Deactivated De-energised (AER) = Temporary disconnection (AUSGRID) Inactive (AER) = Permanent disconnection (AUSGRID) (Compliant) 7 All customers connected to a three phase low voltage supply are interrupted for the entire duration of an event. This approach is adopted because the accurate determination of customers connected to each phase of a low voltage supply is currently not possible. 8 The TMED has been applied to 2018 regulatory year in 3.6.8 Network feeders as per the requirements of this notice.			

<table>
<tr><th>Sheet/Table /Rule</th><th>Estimated/Actual</th><th>Data Source</th><th>Why Estimated</th><th>Methodology</th><th>Assumptions</th><th>Consistency Information</th><th>Additional Comments</th></tr>
<tr><td></td><td></td><td></td><td></td><td>9. 3.6.8 Network feeders only include feeder information where an outage has occurred being either Planned, Unplanned or Excluded.

10 The unplanned outage event data provided excludes the excluded events and TMED days.
11 The total number of unplanned outages includes excluded events in the count.

12 For Distribution planning the maximum demand data (Template 3.6.8):

a. Feeder maximum demand was selected following procedure DOR-PCD-10006. Feeders with no available load data have been assumed to be 0MW.

b. A power factor of 0.9608 was used based on Ausgrid's system compensated power factor for summer 2017/18.
c. Nominal distribution voltages of 11,000V and 5,000V were used
d. Average customer demand was calculated using a network load factor of 43.96%.
e. Energy not supplied unplanned is calculated by multiplying the number of customers, average customer demand (utilising average feeder demand derived from feeder maximum demand and estimated load factor, divided by the number of customers on the feeder) and unplanned customer minutes off supply (including excluding events and MEDs).
f. Energy not supplied planned is calculated by multiplying the number of customers, average customer demand (utilising average feeder demand derived from feeder maximum demand and estimated load factor, divided by the number of customers on the feeder) and planned customer minutes off supply.

13 For GIS length of distribution lines (Template 3.6.8):

a. The length of overhead and underground high voltage conductors provided in table 1 Network Feeder Reliability have been calculated using data recorded in Ausgrid Geographic Information System, representing the normal state of the network on 31 August 2018.

b. The length includes all spurs. Individual phases are not separated but calculated as one length. The total does not take into account vertical displacement cause by vertical rises, changes in elevation, or line sag.</td><td></td><td></td><td></td></tr>
<tr><td>3.6.9 Network Reliability TABLE 3.6.9 - NETWORK FEEDER RELIABILITY - PLANNED OUTAGES</td><td>Estimated</td><td>Data used to populate tables has been taken from outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment Network Outage and Reporting Database (NORD).

Final outage event records are manually entered into OMS after outage events. Fields within each record are entered both automatically and manually and are subject to quality assurance checks.

Information for interruptions affecting single premises is sourced directly from OMS with completion information from Ausgrid's Customer Aided Service System (CASS) which interfaces to OMS. For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System</td><td>Some planned outages are restored at a time different to that originally expected. A laborious manual process is required to track and record these differences compared to the planned restoration time, therefore only the estimated restoration time is recorded in the system. Significant additional labour resources or IT</td><td>Key elements of the methodology:

1. A Business Objects report (AER RIN DAILY ACTIVE NMIS & DAILY ACTIVE NMIS FED Ver 2 ANNUAL AER.xls) was extracted from the reporting environment on (31/08/2018) for the 2018 regulatory year. The report provides the summarised results for events as required for the templates and tables described. All the information is copied into the relevant RIN tables, with only minor modification to suit the RIN's formatting and consolidation requirements see below:

<table><tr><th>Outage event attribute</th><th>Table 3.6.9 Planned Minutes off Supply (SAIDI)</th></tr><tr><td>Planned outages SAIDI by feeder category</td><td>Planned minutes off supply (SAIDI) by feeder category</td></tr></table>
<table><tr><th>Outage event attribute</th><th>T able 3.6.9 Planned Interruptions to Supply</th></tr></table></td><td>N/A</td><td>The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.</td><td>N/A</td></tr>
</table>

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is reconciled into OMS post event. This information is validated against existing OMS records and manually entered into OMS as required by an Ausgrid officer. OMS outage event records include the following fields: l Date of event l Time of interruption l Time of restoration[1] l Event trigger l Number of Customers Interrupted (CI) l Number of Customer Minutes Interrupted (CMI) l Feeder ID l Event Hierarchy l Exclusion Flag l Exclusion Reason OMS automatically calculates CI and CMI by combining the following information: l Electrical connectivity details from Ausgrid's Graphical Information System (GIS) l Interruption and restoration steps as recorded by System Operators l National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B) The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic on the basis of manually entered interruption and switching steps. Information from SAP, CCS and B2B are used to exclude inactive NMIs (permanently disconnected) from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI and SAIFI are also added to records within the reporting environment. The	system upgrades would be required to efficiently capture actual restoration times for planned events. The planned interruption durations are based on the original estimated restoration time which is recorded in the OMS. This is the best available consolidated information on planned outage durations. It is a conservative estimate and is estimated to increase the reported planned duration SAIDI by 10-15%. (iii) if an estimate has been provided, the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in this Notice. As above.	<table><tr><td></td><td>**(SAIFI)**</td></tr><tr><td>Planned outages SAIFI by feeder category</td><td>Planned interruptions to supply (SAIDI) by feeder category</td></tr></table> 1. It is recognised that the feeder category and number of customers may change throughout the year and therefore that data is as at the end of the 2017/18 year. Key assumptions used in methodology: 1. All outage event attributes are correctly entered in OMS. 2. Feeder category reference tables are accurate. 3. The NMI connectivity details in GIS are correct at the time of outages, or that any errors are managed through manual processes to determine the actual customers affected by an event, or by holding out outage event records in the OUTAGES_NOT_IN_OMS table until GIS updates are received. 4. All SAIDI and SAIFI calculations are performed using daily customer counts. Ausgrid has consistently adopted this approach for the calculation of all reliability metrics because average customer counts do not result in stable metrics suitable for trend analysis due to the constant adding, removing and reconfiguring of feeders. 5. All unmetered customers are excluded from calculations. 6. All active customers are included in the calculation of reliability metrics. All inactive customers are excluded in the calculation of reliability metrics. The following assumptions regarding customer counting have been made: Active = Energised + De-energised Inactive = Extinct = Deactivated De-energised (AER) = Temporary disconnection (AUSGRID) Inactive (AER) = Permanent disconnection (AUSRID) (Compliant) 1. All customers connected to a three phase low voltage supply are interrupted for the entire duration of an event. This approach is adopted because the accurate determination of customers connected to each phase of a low voltage supply is currently not possible. 2. The 2017 TMED has been applied to 2018 regulatory year in 3.6.9 Network Feeder reliability - planned outages as per the requirements of this notice.			

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		reporting environment facilitates the extraction of information into to a range of Business Objects reports. The reporting environment also contains reference tables maintained within the NORD. One reference table contains feeder categorisation and is reviewed on an annual basis. A report (*AER RIN DAILY ACTIVE NMIS & DAILY ACTIVE NMIS FED Ver 1.2 ANNUAL AER.xls*) for the 2018 regulatory is generated from the reporting environment on 31/08/2018. Each report contains a list of outage events with the following key attributes: l Feeder Category l Reporting Category l Feeder Category SAIDI l Feeder Category SAIFI Separate entries appear in the list if a single event affected multiple feeders. The report does not contain momentary interruptions of duration one minute or less. The source data for planned interruptions is from two databases; LID for the Newcastle control room and Disconnect Reconnect Order System (DAROS) for the Sydney Control Room. For the 2018 regulatory year planned outages from both LID and DAROS were manually entered into OMS. For planned events all measures relating to Planned events are not complete as the times recorded for planned events managed by the Sydney Control Room reflect the period in which the outage was expected to occur, not the actual off and on times customers experienced. Verified to be calculated in accordance with the assumptions below. SAIFI is expressed per 0.01 interruptions as per AER requirements. Verified to be calculated in accordance with the assumptions below.					

<table>
<tr><th>Sheet/Table /Rule</th><th>Estimated/Actual</th><th>Data Source</th><th>Why Estimated</th><th>Methodology</th><th>Assumptions</th><th>Consistency Information</th><th>Additional Comments</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>6.2 STPIS Reliability TABLE 6.2.2 - UNPLANNED INTERRUPTIONS TO SUPPLY (SAIFI)</td><td>Actual</td><td>Data used to populate tables has been taken from outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment, Network Outage and Reporting Database (NORD).

Final outage event records are manually entered into OMS after outage events. Fields within each record are entered both automatically and manually and are subject to quality assurance checks.

Information for interruptions affecting single premises is sourced directly from OMS with completion information from Ausgrid's Customer Aided Service System (CASS) which interfaces to OMS. For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is validated against existing OMS records and manually entered into OMS as required by an Ausgrid officer.

OMS outage event records include the following fields:

l Date of event
l Time of interruption
l Time of restoration(1)
l Event trigger
l Number of Customers Interrupted (CI)
l Number of Customer Minutes Interrupted (CMI)
l Feeder ID
l Event Hierarchy
l Exclusion Flag
l Exclusion Reason

OMS automatically calculates CI and CMI by combining the following information:

l Electrical connectivity details from Ausgrid's</td><td>N/A</td><td>Key elements of the methodology:

1. -A Business objects report AER RIN Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 - Annual AER.xls has been extracted from the reporting environment on 31/08/18)for the 2018 regulatory year. The report provides the summarised results for events as required for the templates and tables described. All the information is copied into the relevant RIN tables, with only minor modification to suit the RIN's formatting and consolidation requirements.
-Feeder event attributes are copied directly from AER RIN Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 into tables in 6.2 STPIS Reliability as per the table below. Events are classified as excluded in accordance with Clause 3.3 of the STPIS which aligns with the definitions in Appendix F.

<table><tr><th>Outage event attribute</th><th>Table 6.2.1 Unplanned Minutes off Supply (SAIDI)</th></tr><tr><td>Total Unplanned SAIDI by feeder category and global</td><td>Total sustained minutes off supply by feeder category and whole network (a)</td></tr><tr><td>Total Unplanned SAIDI by feeder category and global - after removing excluded events and MED</td><td>Total sustained minutes off supply after removing excluded events (b)</td></tr><tr><td>Total of excluded events</td><td>Total of excluded events (a) - (b)</td></tr></table>
<table><tr><th>Outage event attribute</th><th>Table 6.2.2 Unplanned Interruptions to Supply (SAIFI)</th></tr><tr><td>Total Unplanned SAIFI by feeder category and global</td><td>Total sustained interruptions by feeder category and whole network (c)</td></tr><tr><td>Total Unplanned SAIFI by feeder category and global - after removing excluded events and MED</td><td>Total sustained interruptions after removing excluded events (d)</td></tr><tr><td>Total of excluded events by feeder category and global</td><td>Total of excluded events (c) - (d)</td></tr></table>
As the MAIFI component of the STPIS scheme does not apply to Ausgrid, in accordance with the template instructions Ausgrid is not completing Table 6.2.3 - Unplanned Momentary Interruptions to Supply (MAIFI).

<table><tr><th>Outage event attribute</th><th>Table 6.2.4 Distribution Customer Numbers</th></tr><tr><td>Customer numbers at the start of period by</td><td>Customer numbers at the start of period by</td></tr></table></td><td>N/A</td><td>The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.</td><td>N/A</td></tr>
</table>

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		Graphical Information System (GIS) l Interruption and restoration steps as recorded by System Operators l National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B) systems. The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic on the basis of manually entered interruption and switching steps. Information from SAP, CCS and B2B are used to exclude inactive NMIs (permanently disconnected) from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI and SAIFI are also added to records within the reporting environment. The reporting environment facilitates the extraction of information into to a range of Business Objects reports. The reporting environment also contains reference tables maintained within NORD. One reference table contains feeder categorisation and is reviewed on an annual basis. A report (*AER RIN DAILY ACTIVE NMIS & DAILY ACTIVE NMIS FED Ver 1.2 ANNUAL AER.xls*) for the 2017 regulatory year was generated from the reporting environment on 10/07/2017. Each report contains a list of outage events with the following key attributes: l Feeder Category l Reporting Category l Feeder Category SAID (1) l Feeder Category SAIF (2) l Exclusion Flag l Customer numbers at start of the period l Customer numbers at end of the period Separate entries appear in the list if a single event affected multiple feeders. The report contains separate sections for unplanned, planned and excluded outage events. The report does not contain momentary interruptions of duration one minute or less. (1)Verified to be calculated in accordance with the assumptions below. (2)SAIFI is expressed per 0.01 interruptions as per AER		<table><tr><td>feeder category and global</td><td>feeder category and whole network</td></tr><tr><td>Customer numbers at the end of period by feeder category and global</td><td>Customer numbers at the end of period by feeder category and whole network</td></tr></table> 1. It is recognised that the feeder category and number of customers may change throughout the year and therefore that data is as at the end of the 2017/18 year. Key assumptions used in methodology: 2. All outage event attributes are correctly entered in OMS. 3. Feeder category reference tables are accurate. 4. The NMI connectivity details in GIS are correct at the time of outages, or that any errors are managed through manual processes to determine the actual customers affected by an event, or by holding out outage event records in the OUTAGES_NOT_IN_OMS table until GIS updates are received. 5. All SAIDI and SAIFI calculations are performed using daily customer counts. Ausgrid has consistently adopted this approach for the calculation of all reliability metrics because average customer counts do not result in stable metrics suitable for trend analysis due to the constant adding, removing and reconfiguring of feeders. 6. All unmetered customers are excluded from calculations. 7. All active customers are included in the calculation of reliability metrics. All inactive customers are excluded in the calculation of reliability metrics. The following assumptions regarding customer counting have been made: Active = Energised + De-energised Inactive = Extinct = Deactivated De-energised (AER) = Temporary disconnection (Ausgrid) Inactive (AER) = Permanent disconnection (Ausgrid) 1. All customers connected to a three phase low voltage supply are interrupted for the entire duration of an event. This approach is adopted because the accurate determination of customers connected to each phase of a low voltage supply is currently not possible.			

<table>
<tr><th>Sheet/Table /Rule</th><th>Estimated/Actual</th><th>Data Source</th><th>Why Estimated</th><th>Methodology</th><th>Assumptions</th><th>Consistency Information</th><th>Additional Comments</th></tr>
<tr><td></td><td></td><td>requirements.</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>6.2 STPIS Reliability TABLE 6.2.4 - DISTRIBUTION CUSTOMER NUMBERS</td><td>Actual</td><td>Data used to populate tables has been taken from outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment, Network Outage and Reporting Database (NORD).

Final outage event records are manually entered into OMS after outage events. Fields within each record are entered both automatically and manually and are subject to quality assurance checks.

Information for interruptions affecting single premises is sourced directly from OMS with completion information from Ausgrid's Customer Aided Service System (CASS) which interfaces to OMS. For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is validated against existing OMS records and manually entered into OMS as required by an Ausgrid officer.

OMS outage event records include the following fields:

l Date of event

l Time of interruption

l Time of restoration(1)

l Event trigger

l Number of Customers Interrupted (CI)

l Number of Customer Minutes Interrupted (CMI)

l Feeder ID

l Event Hierarchy

l Exclusion Flag

l Exclusion Reason

OMS automatically calculates CI and CMI by combining the following information:

l Electrical connectivity details from Ausgrid's Graphical Information System (GIS)</td><td></td><td>Key elements of the methodology:

1. -A Business objects report AER RIN Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 - Annual AER.xls has been extracted from the reporting environment on 31/08/18)for the 2018 regulatory year. The report provides the summarised results for events as required for the templates and tables described. All the information is copied into the relevant RIN tables, with only minor modification to suit the RIN's formatting and consolidation requirements.
-Feeder event attributes are copied directly from AER RIN Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 into tables in 6.2 STPIS Reliability as per the table below. Events are classified as excluded in accordance with Clause 3.3 of the STPIS which aligns with the definitions in Appendix F.

<table><tr><th>Outage event attribute</th><th>Table 6.2.1 Unplanned Minutes off Supply (SAIDI)</th></tr><tr><td>Total Unplanned SAIDI by feeder category and global</td><td>Total sustained minutes off supply by feeder category and whole network (a)</td></tr><tr><td>Total Unplanned SAIDI by feeder category and global - after removing excluded events and MED</td><td>Total sustained minutes off supply after removing excluded events (b)</td></tr><tr><td>Total of excluded events</td><td>Total of excluded events (a) - (b)</td></tr></table>

<table><tr><th>Outage event attribute</th><th>Table 6.2.2 Unplanned Interruptions to Supply (SAIFI)</th></tr><tr><td>Total Unplanned SAIFI by feeder category and global</td><td>Total sustained interruptions by feeder category and whole network (c)</td></tr><tr><td>Total Unplanned SAIFI by feeder category and global - after removing excluded events and MED</td><td>Total sustained interruptions after removing excluded events (d)</td></tr><tr><td>Total of excluded events by feeder category and global</td><td>Total of excluded events (c) - (d)</td></tr></table>

As the MAIFI component of the STPIS scheme does not apply to Ausgrid, in accordance with the template instructions Ausgrid is not completing Table 6.2.3 - Unplanned Momentary Interruptions to Supply (MAIFI).</td><td>N/A</td><td>The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.</td><td>N/A</td></tr>
</table>

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		l Interruption and restoration steps as recorded by System Operators l National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B) systems. The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic on the basis of manually entered interruption and switching steps. Information from SAP, CCS and B2B are used to exclude inactive NMIs (permanently disconnected) from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI and SAIFI are also added to records within the reporting environment. The reporting environment facilitates the extraction of information into to a range of Business Objects reports. The reporting environment also contains reference tables maintained within NORD. One reference table contains feeder categorisation and is reviewed on an annual basis. A report (*AER RIN DAILY ACTIVE NMIS & DAILY ACTIVE NMIS FED Ver 1.2 ANNUAL AER.xls*) for the 2017 regulatory year was generated from the reporting environment on 10/07/2017. Each report contains a list of outage events with the following key attributes: l Feeder Category l Reporting Category l Feeder Category SAID (1) l Feeder Category SAIF (2) l Exclusion Flag l Customer numbers at start of the period l Customer numbers at end of the period Separate entries appear in the list if a single event affected multiple feeders. The report contains separate sections for unplanned, planned and excluded outage events. The report does not contain momentary interruptions of duration one minute or less. (1)Verified to be calculated in accordance with the assumptions below.					

Outage event attribute	**Table 6.2.4 Distribution Customer Numbers**
Customer numbers at the start of period by feeder category and global	Customer numbers at the start of period by feeder category and whole network
Customer numbers at the end of period by feeder category and global	Customer numbers at the end of period by feeder category and whole network

1. It is recognised that the feeder category and number of customers may change throughout the year and therefore that data is as at the end of the 2017/18 year.

Key assumptions used in methodology:

2. All outage event attributes are correctly entered in OMS.

3. Feeder category reference tables are accurate.

4. The NMI connectivity details in GIS are correct at the time of outages, or that any errors are managed through manual processes to determine the actual customers affected by an event, or by holding out outage event records in the OUTAGES_NOT_IN_OMS table until GIS updates are received.

5. All SAIDI and SAIFI calculations are performed using daily customer counts. Ausgrid has consistently adopted this approach for the calculation of all reliability metrics because average customer counts do not result in stable metrics suitable for trend analysis due to the constant adding, removing and reconfiguring of feeders.

6. All unmetered customers are excluded from calculations.

7. All active customers are included in the calculation of reliability metrics. All inactive customers are excluded in the calculation of reliability metrics. The following assumptions regarding customer counting have been made:

Active = Energised + De-energised

Inactive = Extinct = Deactivated

De-energised (AER) = Temporary disconnection (Ausgrid)

Inactive (AER) = Permanent disconnection (Ausgrid)

1. All customers connected to a three phase low voltage supply are interrupted for the entire duration of an event. This approach is adopted because the accurate determination of customers connected to each phase of a low voltage supply is currently not possible.

<table>
<tr><th>Sheet/Table /Rule</th><th>Estimated/Actual</th><th>Data Source</th><th>Why Estimated</th><th>Methodology</th><th>Assumptions</th><th>Consistency Information</th><th>Additional Comments</th></tr>
<tr><td></td><td></td><td>(2)SAIFI is expressed per 0.01 interruptions as per AER requirements.</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>6.2 STPIS Reliability TABLE 6.2.1 - UNPLANNED MINUTES OFF SUPPLY (SAIDI)</td><td>Actual</td><td>Data used to populate tables has been taken from outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment, Network Outage and Reporting Database (NORD).

Final outage event records are manually entered into OMS after outage events. Fields within each record are entered both automatically and manually and are subject to quality assurance checks.

Information for interruptions affecting single premises is sourced directly from OMS with completion information from Ausgrid's Customer Aided Service System (CASS) which interfaces to OMS. For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is validated against existing OMS records and manually entered into OMS as required by an Ausgrid officer.

OMS outage event records include the following fields:

l Date of event
l Time of interruption
l Time of restoration(1)
l Event trigger
l Number of Customers Interrupted (CI)
l Number of Customer Minutes Interrupted (CMI)
l Feeder ID
l Event Hierarchy</td><td></td><td>Key elements of the methodology:

1. -A Business objects report AER RIN Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 - Annual AER.xls has been extracted from the reporting environment on 31/08/18)for the 2018 regulatory year. The report provides the summarised results for events as required for the templates and tables described. All the information is copied into the relevant RIN tables, with only minor modification to suit the RIN's formatting and consolidation requirements.
-Feeder event attributes are copied directly from AER RIN Daily Active NMIs & Daily Active NMIs Fed Ver 1.2 into tables in 6.2 STPIS Reliability as per the table below. Events are classified as excluded in accordance with Clause 3.3 of the STPIS which aligns with the definitions in Appendix F.

<table>
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<tr><td>Total of excluded events</td><td>Total of excluded events (a) - (b)</td></tr>
</table>

<table>
<tr><td>Outage event attribute</td><td>Table 6.2.2 Unplanned Interruptions to Supply (SAIFI)</td></tr>
<tr><td>Total Unplanned SAIFI by feeder category and global</td><td>Total sustained interruptions by feeder category and whole network (c)</td></tr>
<tr><td>Total Unplanned SAIFI by feeder category and global - after removing excluded events and MED</td><td>Total sustained interruptions after removing excluded events (d)</td></tr>
<tr><td>Total of excluded events by feeder category and</td><td>Total of excluded events (c) - (d)</td></tr>
</table></td><td>N/A</td><td>The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.</td><td>N/A</td></tr>
</table>

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		l Exclusion Flag l Exclusion Reason OMS automatically calculates CI and CMI by combining the following information: l Electrical connectivity details from Ausgrid's Graphical Information System (GIS) l Interruption and restoration steps as recorded by System Operators l National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B) systems. The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic on the basis of manually entered interruption and switching steps. Information from SAP, CCS and B2B are used to exclude inactive NMIs (permanently disconnected) from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI and SAIFI are also added to records within the reporting environment. The reporting environment facilitates the extraction of information into to a range of Business Objects reports. The reporting environment also contains reference tables maintained within NORD. One reference table contains feeder categorisation and is reviewed on an annual basis. A report (*AER RIN DAILY ACTIVE NMIS & DAILY ACTIVE NMIS FED Ver 1.2 ANNUAL AER.xls*) for the 2017 regulatory year was generated from the reporting environment on 10/07/2017. Each report contains a list of outage events with the following key attributes: l Feeder Category l Reporting Category l Feeder Category SAID (1) l Feeder Category SAIF (2)		global As the MAIFI component of the STPIS scheme does not apply to Ausgrid, in accordance with the template instructions Ausgrid is not completing Table 6.2.3 - Unplanned Momentary Interruptions to Supply (MAIFI). **Outage event attribute** / **Table 6.2.4 Distribution Customer Numbers** Customer numbers at the start of period by feeder category and global / Customer numbers at the start of period by feeder category and whole network Customer numbers at the end of period by feeder category and global / Customer numbers at the end of period by feeder category and whole network 1. It is recognised that the feeder category and number of customers may change throughout the year and therefore that data is as at the end of the 2017/18 year. Key assumptions used in methodology: 2. All outage event attributes are correctly entered in OMS. 3. Feeder category reference tables are accurate. 4. The NMI connectivity details in GIS are correct at the time of outages, or that any errors are managed through manual processes to determine the actual customers affected by an event, or by holding out outage event records in the OUTAGES_NOT_IN_OMS table until GIS updates are received. 5. All SAIDI and SAIFI calculations are performed using daily customer counts. Ausgrid has consistently adopted this approach for the calculation of all reliability metrics because average customer counts do not result in stable metrics suitable for trend analysis due to the constant adding, removing and reconfiguring of feeders. 6. All unmetered customers are excluded from calculations. 7. All active customers are included in the calculation of reliability metrics. All inactive customers are excluded in the calculation of reliability metrics. The following assumptions regarding customer counting have been made: Active = Energised + De-energised Inactive = Extinct = Deactivated De-energised (AER) = Temporary disconnection (Ausgrid) Inactive (AER) = Permanent disconnection (Ausgrid) 1. All customers connected to a three phase low voltage supply are interrupted for the entire duration of an event. This approach is adopted because the accurate determination of customers connected to each phase of a low voltage supply is currently not possible.			

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		l Exclusion Flag l Customer numbers at start of the period l Customer numbers at end of the period Separate entries appear in the list if a single event affected multiple feeders. The report contains separate sections for unplanned, planned and excluded outage events. The report does not contain momentary interruptions of duration one minute or less. (1)Verified to be calculated in accordance with the assumptions below. (2)SAIFI is expressed per 0.01 interruptions as per AER requirements.					
6.6 Customer Service 6.6.1 - TELEPHONE ANSWERING	Actual	The Ausgrid Contact Centre reporting is captured in a number of Genesys tables from 6.30am - 10.00pm and in an Alcatel Application (CCSupervision) from 10.00pm - 6.30am. Business Objects and Interactive Insights are the reporting application that combines both the Genesys and Alcatel data and provides a combined result across all queues and call types.		Once run in Business Objects and Interactive insights, filters are applied to the report to exclude all call types except Emergency/Hazard calls and populated in the Annual RIN.	N/A	Using the required reporting applications, data supplied is true and correct to the best of my ability. Call volumes provided are from our Emergency/Hazards lines and have excluded any major event days.	N/A
6.7 STPIS Daily Performance 6.7.1 - DAILY PERFORMANCE DATA - UNPLANNED	Actual	The Ausgrid Contact Centre reporting is captured in a number of Genesys tables from 6.30am - 10.00pm and in an Alcatel Application (CCSupervision) from 10.00pm - 6.30am. Business Objects and Interactive Insights are the reporting application that combines both the Genesys and Alcatel data and provides a combined result across all queues and call types.		Once run in Business Objects and Interactive insights, filters are applied to the report to exclude all call types except Emergency/Hazard calls and populated in the Annual RIN.	N/A	Using the required reporting applications, data supplied is true and correct to the best of my ability. Call volumes provided are from our Emergency/Hazards lines and have excluded any major event days.	N/A
6.9 STPIS GSL Street lights	Actual	Reliability of Supply and Streetlights We receive an automated notification from SAP in regards to all eligible street light claims where repairs have not been carried out within the required time frame. Information of all eligible requests and payments made is recorded in our Lotus Notes claims database and the street light payment spreadsheet. All claims for Duration and Frequency reliability are recorded on Lotus Notes data base. We also provide the information on a Quarterly basis for Ausgrid's Network Performance Reports. Other GSL parameters		Reliability of Supply and Streetlights All information provided has been sourced from our dedicated data bases. Each claim is received in hard copy (claim form) and then input to the data base. Copies of all claims are also stored in TRIM. We are then able to also export all the information from the data bases onto excel spreadsheets when/if required. Other GSL parameters 'Number of connections made' is defined as the total number of connections provided by the Licence Holder for existing & new premises where the Licence Holder undertook the work. Information is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction.	N/A	Section 6.9.1 of the annual RIN reporting template requires information relating to jurisdiction GSL scheme parameters. We are required to make payments of $15.00 for each street light fault which is not repaired within the designated time frame. The attached spreadsheet confirms the number of payment requests received and the number of payments made. We are also required to make payments of $80.00 under the Customer Service Standards for interruptions that exceed the Duration and Frequency criteria under our Licence conditions.	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		Information relating to number of new and existing connections, provided by the licence holder is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. Information relating to the number of connections not provided on or before the agreed date is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting - there were no connection-related GSL payments. Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.		Number of connections not made on or before agreed date' is defined as the number of connections not provided on or before the agreed date, where the connection was for a new or existing premises, and the Licence Holder undertook the work. Information is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting. There were no were no connection-related GSL payments. Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.			
6.9 STPIS GSL Planned interruptions	Actual	Reliability of Supply and Streetlights We receive an automated notification from SAP in regards to all eligible street light claims where repairs have not been carried out within the required time frame. Information of all eligible requests and payments made is recorded in our Lotus Notes claims database and the street light payment spreadsheet. All claims for Duration and Frequency reliability are recorded on Lotus Notes data base. We also provide the information on a Quarterly basis for Ausgrid's Network Performance Reports. Other GSL parameters Information relating to number of new and existing connections, provided by the licence holder is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. Information relating to the number of connections not provided on or before the agreed date is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting - there		Reliability of Supply and Streetlights All information provided has been sourced from our dedicated data bases. Each claim is received in hard copy (claim form) and then input to the data base. Copies of all claims are also stored in TRIM. We are then able to also export all the information from the data bases onto excel spreadsheets when/if required. Other GSL parameters 'Number of connections made' is defined as the total number of connections provided by the Licence Holder for existing & new premises where the Licence Holder undertook the work. Information is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. 'Number of connections not made on or before agreed date' is defined as the number of connections not provided on or before the agreed date, where the connection was for a new or existing premises, and the Licence Holder undertook the work. Information is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting. There were no were no connection-related GSL payments.	N/A	Section 6.9.1 of the annual RIN reporting template requires information relating to jurisdiction GSL scheme parameters. We are required to make payments of $15.00 for each street light fault which is not repaired within the designated time frame. The attached spreadsheet confirms the number of payment requests received and the number of payments made. We are also required to make payments of $80.00 under the Customer Service Standards for interruptions that exceed the Duration and Frequency criteria under our Licence conditions.	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		were no connection-related GSL payments. Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.		Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.			
6.9 STPIS GSL 6.9.1 - GUARANTEED SERVICE LEVELS - JURISDICTIONAL GSL SCHEME	Actual	Reliability of Supply and Streetlights We receive an automated notification from SAP in regards to all eligible street light claims where repairs have not been carried out within the required time frame. Information of all eligible requests and payments made is recorded in our Lotus Notes claims database and the street light payment spreadsheet. All claims for Duration and Frequency reliability are recorded on Lotus Notes data base. We also provide the information on a Quarterly basis for Ausgrid's Network Performance Reports. Other GSL parameters Information relating to number of new and existing connections, provided by the licence holder is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. Information relating to the number of connections not provided on or before the agreed date is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting - there were no connection-related GSL payments. Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.		Reliability of Supply and Streetlights All information provided has been sourced from our dedicated data bases. Each claim is received in hard copy (claim form) and then input to the data base. Copies of all claims are also stored in TRIM. We are then able to also export all the information from the data bases onto excel spreadsheets when/if required. Other GSL parameters 'Number of connections made' is defined as the total number of connections provided by the Licence Holder for existing & new premises where the Licence Holder undertook the work. Information is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. 'Number of connections not made on or before agreed date' is defined as the number of connections not provided on or before the agreed date, where the connection was for a new or existing premises, and the Licence Holder undertook the work. Information is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting. There were no were no connection-related GSL payments. Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.	N/A	Section 6.9.1 of the annual RIN reporting template requires information relating to jurisdiction GSL scheme parameters. We are required to make payments of $15.00 for each street light fault which is not repaired within the designated time frame. The attached spreadsheet confirms the number of payment requests received and the number of payments made. We are also required to make payments of $80.00 under the Customer Service Standards for interruptions that exceed the Duration and Frequency criteria under our Licence conditions.	N/A
6.9 STPIS GSL Connections	Actual	Reliability of Supply and Streetlights		Reliability of Supply and Streetlights	N/A	Section 6.9.1 of the annual RIN reporting template requires information relating to jurisdiction GSL scheme parameters.	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
		We receive an automated notification from SAP in regards to all eligible street light claims where repairs have not been carried out within the required time frame. Information of all eligible requests and payments made is recorded in our Lotus Notes claims database and the street light payment spreadsheet. All claims for Duration and Frequency reliability are recorded on Lotus Notes data base. We also provide the information on a Quarterly basis for Ausgrid's Network Performance Reports. <u>Other GSL parameters</u> Information relating to number of new and existing connections, provided by the licence holder is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. Information relating to the number of connections not provided on or before the agreed date is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting - there were no connection-related GSL payments. Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.		All information provided has been sourced from our dedicated data bases. Each claim is received in hard copy (claim form) and then input to the data base. Copies of all claims are also stored in TRIM. We are then able to also export all the information from the data bases onto excel spreadsheets when/if required. <u>Other GSL parameters</u> 'Number of connections made' is defined as the total number of connections provided by the Licence Holder for existing & new premises where the Licence Holder undertook the work. Information is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction. 'Number of connections not made on or before agreed date' is defined as the number of connections not provided on or before the agreed date, where the connection was for a new or existing premise, and the Licence Holder undertook the work. Information is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting. There were no were no connection-related GSL payments. Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1718" report.		We are required to make payments of $15.00 for each street light fault which is not repaired within the designated time frame. The attached spreadsheet confirms the number of payment requests received and the number of payments made. We are also required to make payments of $80.00 under the Customer Service Standards for interruptions that exceed the Duration and Frequency criteria under our Licence conditions.	
7.8 Avoided TUOS Payments TABLE 7.8.1 - AVOIDED TUOS PAYMENTS	Estimated	The avoided TUoS reported in Table 7.8 of the Annual Reporting RIN Response 2017-18 is based on the SAP Financial system.	Estimated amounts arise for new and smaller embedded generators. Due to the unpredictable nature of these embedded generators, the payments would be small and on an irregular basis, hence the payments are estimated and finalised at the end of the financial year.	The amount of avoided TUoS reported in the SAP Financial system includes both actual payments and accruals. The amount reported is based on invoices received if available, or an estimation, which is based on either the assumed annual amount pro-rated monthly or the preliminary metered data consumption. The calculation of estimated avoided TUoS payments is derived from SAS, which applies the metered data consumption to the relevant TransGrid transmission prices.	N/A	Avoided TUoS payments are made by a DNSP in accordance with clause 5.3AA(h) of the NER (version 111), as per below. *"A Distribution Network Service Provider must pass through to a Connection Applicant the amount calculated in accordance with paragraph (i) for the locational component of prescribed TUoS services that would have been payable by the Distribution Network Service Provider to a Transmission Network Service Provider had the Connection Applicant not been connected to its distribution network".*	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
7.10 Juris Scheme TABLE 7.10.1 - JURISDICTIONAL SCHEME PAYMENTS	Actual	The amount reported in Table 7.10 for Solar Bonus Rebate and Climate Change Fund have been sourced from SAP Financials, SAP Business Intelligence (BI) Tariff Reports and Ausgrid's Regulatory Accounting Income Statement Table 8.1. The NSW Government's Solar Bonus Scheme was set up for a seven year period commencing 1 January 2010. Irrespective of when a customer joined, the scheme ended on 31 December 2016. Advice is received from the Minister for the Environment regarding Ausgrid's contribution to the Climate Change Fund for 2017/18.		In line with the definition of "Jurisdictional Scheme Payment" in Appendix F of the Regulatory Information Notice issued to Ausgrid on 3 February 2016, the amount reported in Table 7.10.1 represents the following: Solar Bonus Rebate Scheme - the net difference between the Solar Bonus rebate paid to complying customers less the amount reimbursed via the Solar Bonus reimbursement scheme administered by Office of Environment and Heritage. The difference reported is (0). Climate Change Fund - the net difference between the amount contributed to the Climate Change Fund for 2017/18 as directed by the Minister for the Environment and Gazettal Notice and the amount recovered from the Ausgrid's network use of system (NUOS) tariffs, i.e. the CCF component of the NUOS charges. The difference reported is $13,935,074. The CCF amount recorded does not include the interest or opening balance in the calculation and so does not align with the control mechanism used with the recovery of the jurisdictional schemes unders and overs account. The annual amount reported for Solar Bonus rebate and Climate Change Fund in the Annual Reporting RIN represents both billed and accrued charges.	N/A	The information provided are the Jurisdictional Schemes, the Solar Bonus Scheme (SBS) and the Climate Change Fund (CCF) which are based on 6.18.7A (d) of the National Electricity Rules (version 111). These are specifically stated as the Jurisdictional schemes for NSW. ***6.18.7A Recovery of jurisdictional scheme amounts*** ***Jurisdictional schemes*** *(d) A scheme is a jurisdictional scheme if:* *(1) the scheme is specified in paragraph (e); or* *(2) the AER has determined under clause paragraph (l) that the scheme is a jurisdictional scheme,* *and the AER has not determined under paragraph (u) that the scheme has ceased to be a jurisdictional scheme.* *(e) For the purposes of paragraph (d)(1), the following schemes are jurisdictional schemes:* *(1) schemes established under the following laws of participating jurisdictions:* *(i) Electricity Feed-in (Renewable Energy Premium) Act 2008 (ACT);* *(ii) Division 3AB of the Electricity Act 1996 (SA);* *(iii) Section 44A of the Electricity Act 1994 (Qld);* *(iv) Electricity Industry Amendment (Premium Solar Feed-in Tariff) Act 2009 (Vic);* *(2) the Solar Bonus Scheme established under the Electricity Supply Act 1995 (NSW); and* *(3) the Climate Change Fund established under the Energy and Utilities Administration Act 1987 (NSW).*	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
7.11 DMIS DMIA 7.11.1 - DMIA - PROJECTS SUBMITTED FOR APPROVAL	Actual	Actual costs incurred are collected from individual project codes for DMIA activities in Ausgrid's SAP financial reporting system. Early project development costs for the DMIA project 'Battery Demand Response' (1.1% of total) was recorded in 2017/18 under a general DM Innovation project development code (Order 12920005). These costs have been allocated to the Battery Demand Response project in the RIN reporting.		The amounts claimed are those booked to the DMIA project codes in the year. Costs include research and development, implementation, project management and other directly related costs.	N/A	All data in Table 7.11.1 is provided as per expenditure for five (5) ongoing DMIA projects for which we incurred costs in 2017/18.	N/A
7.13 TARC TABLE 7.13.1 - TOTAL ANNUAL RETAILER CHARGES	Actual	The TARC figure reported in Table 7.13 of the Annual Reporting RIN Response 2016-17 is based on the FY16/17 Regulatory Annual Accounts to be lodged with AER.	Annual Revenue amount reported in the Annual Reporting RIN represents both billed and accrued charges.	By using the Annual Regulatory Accounts as the basis of the TARC Ausgrid believes that it satisfies the key points as per the definition under the National Electricity Rules 2010 (NER 2010) section 6B.B3.2(a) (old chapter 6B rules) which stated that the TARC is the "total annual amount of network charges billed by the distribution network service provider to all retailers as most recently reported by the distribution network service provider to the AER". In addition, in order to comply with this definition of the TARC, the calculation includes Network use of system (NUoS) charges, Type 5 & 6 Metering service charges, Solar Bonus Rebate (SBR) expense and Ancillary Network Services that are billed to Retailers. Although this is largely metering related services it does include some minor connection related services). GST has also been included in the TARC. As a result NUoS Charges, Type 5 & 6 Metering service charges, Ancillary Network Services that are billed to Retailers, SBR expense and GST have been included in the TARC amount as this represents the true debt exposure to Ausgrid by Retailers. The information reported in Table 7.13 is consistent with this approach. The methodology used to calculate the TARC has been done in a consistent manner to the previously reported TARC submitted to the AER.	N/A	On 2 February 2017, the AEMC published its final determination, the rule National Electricity Amendment (Retailer-Distributor Credit Support Requirements) Rule 2017 No.1. This Rule commenced operation on 9 February 2017. The new rule replaced Part B of Chapter 6B in its entirety. Clause 6B.B3.2(b) of Division 3 of Chapter 6B of the National Electricity Rules (NER) version 96 contains no requirements, definitions or methodology relating to TARC. The old Chapter 6B of the Rules and all related definitions in the rules that were in force immediately before the effective date of 9 February 2017, Clause 6B.B3.2(b) of Division 3 of Chapter 6B), required that "A Distribution Network Service provider must report the Total Annual Retailer Charges (TARC) to the AER, and the AER must publish on its website the TARC for each Distribution Network Service Provider". For the purposes of completing this template we have relied on the old Chapter 6B of the rules.	N/A
8.1 Income	Actual	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements.		Revenue shown in Table 8.1 has been prepared in accordance with Ausgrid's CAM. The revenue and expenditure categories reported in Table 8.1.1.1 & Table 8.1.1. 2 are in accordance with the revenue and costs categories listed in AER's Annual Reporting RIN, Appendix B, Table 8.1.1. Revenue and expenditure categories listed in tables 8.1.1.1 and 8.1.1.2 have been extracted from SAP via the TM1 system for 2017/18 and have been reported in accordance with the definition of Standard Control Services and Alternative Control Services as set out in the "AER Final Decision - Ausgrid Distribution Determination 2015/16 to 2018/19, April 2015; Attachment 13 - Classification of Services April 2015'. The information shown in the adjustment column mainly relates to the unregulated business, eliminations of intercompany transactions and also incorporates reclassification of some revenue and expense categories. Detail explanation of the revenue and expenditure in the adjustments column categories is highlighted below:	N/A	The information reported in Table 8.1.1 is consistent with the requirements of AER's Annual Regulatory Reporting RIN issue on 3 February 2016 and are derived from the audited statutory financial statements and in accordance with Ausgrid's Cost Allocation Methodology (CAM).	N/A

Template 8.1 - Regulatory Information Notice (RIN) - FY2017/18 - Income Statement - explanation for adjustments

8.1.1 - INCOME STATEMENT	Adjustments	Note
8.1.1.1 - REVENUE		
Distribution revenue	-0	

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology			Assumptions	Consistency Information	Additional Comments
				Cross boundary revenue					
				Contributions	-7,375	1			
				Interest income	-265,243	2			
				Jurisdictional scheme amounts					
				Profit from sale of fixed assets					
				TUOS revenue					
				Pass through revenue (F-factor)					
				Other Revenue	-167,397,947	3			
				Total revenue	**- 167,670,565**	**4**			
				8.1.1.2 - EXPENDITURE					
				TUOS expenditure	133,634,000	5			
				Avoided TUOS expenditure	506,893	6			
				Cross boundary expenditure					
				Depreciation	-8,391,114	7			
				Finance charges	1,027,406	8			
				Impairment losses					
				Jurisdictional scheme amounts					
				Loss from sale of fixed assets	-2,079,100	9			
				Maintenance expenditure	135,347,093	10			
				Operating expenditure excluding maintenance expenditure	-135,347,093	11			
				Other	-88,083,969	12			
				Total expenditure	**36,614,116**	**13**			
				8.1.1.3 - PROFIT					
				Profit before tax (PBT)	- 204,284,681				
				Income tax expenses (/ benefit)					

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments

Profit after tax	**- 204,284,681**	**14**

Explanation of adjustments

1 Relates to Silverwater learning centre government grant revenue allocated to the unregulated business as per Ausgrid's CAM, which is classified as capital contribution revenue

2 Interest income for the affiliated entity PlusES and allocation to unregulated business as per Ausgrid's CAM

3 Other revenue is made up of:

- Revenue reported in unregulated business (excluding capital contributions and interest income)	118,214,584
- Financial transfers between TNSPs (Transgrid & Evoenergy)	49,183,363
Total Other revenue	**167,397,947**

4 Reconciliation of total revenue

- Revenue reported in unregulated business	118,487,203
- Financial transfers between TNSPs (Transgrid & Evoenergy)	49,183,363
Total revenue reported in the adjustment column	**167,670,566**

5 The adjustment relates to a notional charge from the Ausgrid transmission business to distribution business eliminated on consolidation in the FY1718 statutory accounts

6 Avoided TUOS costs relating to distribution business not separately disclosed in statutory accounts, but required to be disclosed separately in regulatory accounts

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
				7 Depreciation expense for the affiliated entity PlusES and allocation to unregulated business as per Ausgrid's CAM based on net Property Plant and Equipment allocation. 8 The adjustment represents capitalised interest reversed for regulatory accounting purposes ($4.4m) offset by interest expense ($3.4m) relating to the unregulated business 9 The adjustment relates to loss from sale of assets attributed to the unregulated business 10 & 11 Reclassification of maintenance expenditure from opex not separately classified in statutory accounts 12 Other expenditure explained is made up of:			

- Opex reported in unregulated business	85,051,991
- Electricity purchase costs reported in unregulated business	725,128
- Acquisition costs relating to unregulated business	2,306,850
Total other expenditure	**88,083,969**

13 Reconciliation of total expenditure

- Total expenditure for unregulated business	101,962,639
- Reversal of capitalised interest not allowed to be capitalised for regulatory accounting purposes	(4,435,862)
- TUOS expenditure eliminated on consolidation	-133,634,000
- Avoided TUOS expenditure	-506,893
Total expenditure	**(36,614,116)**

14 Reconciliation of Profit After Tax

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
				- Total revenue reported in unregulated business: 118,487,203 - Total expenditure reported in unregulated business: (101,962,639) - Capitalised interest reversed for regulated accounting purposes: 4,435,862 - Ausgrid Transmission MAR: 183,324,256 **Total PAT adjustment: 204,284,681** Note: Transmission MAR is made up of: - Financial transfers between TNSPs (Transgrid & EvoEnergy): 49,183,363 - TUOS expenditure eliminated on consolidation: 133,634,000 - Avoided TUOS expenditure: 506,893 **Ausgrid's MAR: 183,324,256**			
8.2 CAPEX 8.2.1 - CAPEX BY PURPOSE - STANDARD CONTROL SERVICES	Actual	Sources of information for this template are: 1. For actual expenditures, the data is sourced from the same BI version in Ausgrid's corporate system as used in table 2.1.1. 2. For CPI Annual Forecast expenditures, the data is sourced from AER Final Decision worksheet. Reference: 'AER Final decision Ausgrid distribution determination - Ausgrid 2015 - Capex model - April 2015' 1. For actual CPI, the following assumptions are used to convert the real 17-18 figures from item b) above to CPI adjusted nominal $.	Explain circumstances where Ausgrid cannot provide input for a variable using actual information, and therefore must provide estimated information: (i) why an estimate was required, including why it was not possible for Ausgrid to provide actual	1. In order to provide a 'Voltage Level' split, the 'Asset Class' attribute is also added to the original BI report that was used to derived table 2.1.1. 2. The following mapping is used to separate each 'Asset Class' nto one of the four voltage levels: Sub-Transmission, High Voltage, Low Voltage or Other	N/A	The information provided in template 8.2 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including Appendix E and F, and the instructions in the worksheet. All tables have been completed.	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments

	TRAN	DIST
INDEXATION	1.072483	1.072609
FY2017-18 CPI	1.476%	1.277%

information;

Same as Table 2.1.1 (Please refer to table 2.1.1)

(ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in the Notice.

Same as Table 2.1.1 (Please refer to table 2.1.1)

In addition, Table 8.2.1 stated that:

'Each line item in this table must **INCLUDE** the 'capital contributions'. Total capital contributions should also be identified in the last item in the table.'

It is worthwhile noting that although 'capital contributions' is considered to be 'Connections' driven (i.e. gifted assets and recoverable works), it is separately identified into a

Asset class	NON-SYSTEM (NON-NETWORK)	Subtransmission	HV	LV	Other
200000	Non System Land				100
200200	Non System Buildings				100
200460	Computer Hardware				100
200480	IT Portable				100
200560	Office Machines				100
200580	Furniture				100
200620	Plant & Tools				100
200680	Telephone Install				100
200700	Telecomm Dev				100
400000	Software CCS				100
400100	Software Sys Dev				100
600000	Not assigned/600000				100
XXXX	Asset Class N/A				100

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
			'Capital Contributions' line item to align with table 2.1.1.				
8.2 CAPEX 8.2.2 - CAPEX BY PURPOSE - MATERIAL DIFFERENCE EXPLANATION	Actual	Sources of information for this template are: 1. Subject matter experts from planning side of the business. 2. Subject matter experts from delivery side of the business. 3. Subject matter experts from financial side of the business. 4. Subject matter experts from non-network side of the business.	Explain circumstances where Ausgrid cannot provide input for a variable using actual information, and therefore must provide estimated information: (i) why an estimate was required, including why it was not possible for Ausgrid to provide actual information; Not applicable as table 8.2.2 have no 'variable' (i.e. commentary only). (ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in the Notice. Not applicable as table 8.2.2 have no 'variable' (i.e. commentary only).	Subject matter experts within the business provide insights on the material expenditure variance. 1. The planning team provide comments on planning impacts (i.e. scope, timing, asset risks, customer requirements, etc). 2. The delivery team provide comments on delivery impacts (i.e. cost variations, timing variations, etc). 3. The financial team provide comments on financial impacts (i.e. indirect cost assessments, booking practices, capital contributions, etc).	N/A	It is challenging to demonstrate this considering that the RIN requirements provided to Ausgrid on the 7th of March 2014 didn't cover template 8.2. Having said that, reasonable/practical assumptions are made so it is largely consistent with the information provided in Template 2.1 and other annual RIN templates. There is an email correspondence from the AER that a difference in excess of +/-10% is considered to be material.	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
8.2 CAPEX	Actual	Actual data for 2017/18 is sourced from Ausgrid's Corporate Reporting System, SAP Business Intelligence (BI). The BI system reports information directly out of SAP. Total capex numbers for Ausgrid have been verified against the Statutory Accounts. Capex does not include capital contributions. The asset classes specified in table 8.2.4 match the asset classes in Ausgrid's Roll Forward and Post-tax Revenue Model.	N/A	Capital expenditure is identified as either relating to system assets or non-system assets. Costs incurred for system assets are directly attributed to either standard control services or alternative control services. This attribution is performed based on the asset class. Costs incurred for non-system assets are either directly attributed to, or allocated between standard control services, alternative control services and/or unregulated services respectively. The attribution or allocation of capital expenditure to the relevant service category is based on the nature of the expenditure and in accordance with the CAM.	N/A	The information provided in template 8.2.3 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including definitions in Appendix F. Information reported in table 8.2.3 and 8.2.4 is in accordance with the annual audited Statutory Financial Statements and Ausgrid's Cost Allocation Methodology (CAM).	N/A
8.2 CAPEX 8.2.5 - CAPITAL CONTRIBUTIONS BY ASSET CLASS	Actual	Actual data for 2017/18 is sourced from SAP. Total capital contributions numbers for Ausgrid have been verified against Statutory Accounts. The Asset Classes specified in table 8.2.5 match the asset classes in Ausgrid's Roll Forward and Post-tax Revenue Model.	N/A as based on actual financial data	Capital contributions are entered into the SAP general ledger as assets and not as capital expenditure. Capital contributions are coded in SAP as relating to either standard control services and/or alternative control services. Capital contributions represent cash contributions or non-cash contributions (i.e. gifted assets) received from customers and developers, mainly towards the capital cost of electricity infrastructure connection assets. Ausgrid is responsible for the ownership and ongoing maintenance of the asset when the asset is energised. Customer funded assets are assets funded by capital contributions. These assets are separately identified in the SAP fixed asset module and are recognised when the definition of an asset is satisfied (i.e. Ausgrid gains control of the asset). Contestable connection works relates to connecting the customer to the network which became contestable under the Electricity Supply (customer contracts) Regulations since 1997/98. Customers can choose an Accredited Service Provider to carry out the connection work for them and are required to fund the costs. These works are mainly classified into the two accreditation levels for the purpose of recognising capital contributions.	N/A	The information provided in template 8.2.5 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including definitions in Appendix F. Information reported in table 8.2.5 is in accordance with the annual audited Statutory Financial Statements and Ausgrid's Cost Allocation Methodology (CAM).	N/A
8.2 CAPEX 8.2.6 - CASH PROCEEDS FOR AUSGRID	Actual	Actual data for 2017/18 is sourced from Ausgrid's Corporate Reporting System, SAP Business Intelligence (BI). The BI system reports information directly out of SAP. Total disposals (i.e. cash proceeds) for Ausgrid have been verified against Statutory Accounts. The Asset Classes specified in table 8.2.6 match the asset classes in Ausgrid's Roll Forward and Post-tax Revenue Model	N/A based on actual financial data	Cash proceeds (or disposals) by asset class were sourced from SAP. All system assets are allocated to standard control services, except for the public lighting asset class. System buildings are further broken down in to transmission by sub transmission and zone buildings identified by sub number. Non system disposals are allocated to standard control services, alternative control services and unregulated services respectively based on cost allocators. The table below listed shared capital costs and description of cost allocators.	N/A	The information provided in template 8.2.6 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including definitions in Appendix F. Information reported in table 8.2.6 is in accordance with the annual audited Statutory Financial Statements and Ausgrid's Cost Allocation Methodology (CAM).	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
8.4 OPEX 8.4.1 - OPERATING & MAINTENANCE EXPENDITURE - BY PURPOSE	Actual	Actual data for 2017/18 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements.	N/A based on actual financial data	Operating expenditure shown in Table 8.4.1 has been prepared in accordance with Ausgrid's CAM and aligns to operating expenditure categories reported in Ausgrid's 2014-19 Regulatory Proposal. Operating expenditure categories include the following: Contact Centre Customer Operations Data Operations Engineering, Planning & Project Management Finance Function Information Communication & Technology Insurance Management Metering System Control Demand Management Operational Technology Other Property Management Training & Development Costs relating to operating expenditure categories listed above have been extracted from SAP via the TM1 cube for FY 2017/18 according to profit centre mapping for each operating expenditure category for standard control and alternative control services. Cost objects aggregate to form a profit centre which identifies the division in Ausgrid for operating and capital expenditure incurred. Profit centres are grouped into different divisions that reflect Ausgrid's organisational structure and are used for reporting purposes only. Costs incurred for operations work are directly attributed to, or allocated between, standard control services, alternative control services and/or unregulated services respectively. This is based on the nature of the expenditure and in accordance with the CAM. Operating expenditure attributed and/or allocated to standard control services is further disaggregated between distribution standard control services and transmission standard control services. Operating costs attributed to alternative control services are further disaggregated between public lighting, metering, ancillary metering related and ancillary connection related service. Costs are allocated between categories of service according to cost objects in SAP. Cost objects are the lowest level at which transactions are aggregated in SAP. Cost objects aggregate to form a profit centre which identifies the division in Ausgrid. The table below outlines cost objects utilised by Ausgrid.	N/A	The information reported in Table 8.4.1 is consistent with the requirements of AER's Annual Regulatory Reporting RIN issue on 3 February 2016 and are derived from the Audited Statutory Financial Statements and in accordance with our Cost Allocation Methodology (CAM). Ausgrid does not report operating expenditure in the Audited Statutory Financial Statements in these categories and therefore the 'Audited Statutory Accounts' column has not been completed.	Ausgrid would ordinarily use the operating expenditure forecast from the April 2015 determination as a reference point for comparison. In 2017, the Full Federal Court partly upheld the AER's appeal in relation to the Australian Competition Tribunal's decision to set aside the AER's April 2015 Revenue Determination. A consequence of the Tribunal'

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
				Project specific cost objects Network activities and Work Breakdown Structure ('WBS') elements: Network activities and WBS elements are used to collect costs related to operational and capital projects. Costs recorded and posted to these cost objects combine to provide the total cost for a specific project. Plant maintenance work orders: Plant maintenance work orders are used to collect costs related to system maintenance and service processing. These cost objects are predominantly operational in nature with the exception of one particular plant maintenance order type that captures minor capital expenditure. Service orders: Service orders are used to collect costs related to customer service work (external or third party activities). These cost objects are part of total business operating expenditure. **Other cost objects** Internal orders: Internal orders are used to collect, monitor and settle direct and indirect costs at a lower level for relatively uncomplicated activities. These cost objects are part of operating expenditure. Each internal order is linked to a cost centre upon creation. Cost centre: Cost centres are business units that perform or engage in specific types of work. Cost centres enable Ausgrid to capture costs according to their source within the organisation. Any expenditure that cannot be directly costed to another cost object remains on the cost centre as operating expenditure and is then recovered via an overhead cost centre. Cost Object Description The operating expenditure categories are consistent between alternative control services and standard control services and agree to the Ausgrid Regulatory Proposal for 2014-19. Forecast opex is sourced from the AER Final decision relating to Ausgrid's 2014-19 Regulatory			s decision is that there is no distribution determination for the 2014-19 period and as such it is not strictly correct to compare Ausgrid's actual expenditure outturn with the opex determined in the April 2015 decision. As the AER has not provided Ausgrid with the split of the "CPI Adjusted Forecast" between opex categories. Ausgrid is unable to determin

<table>
<tr><th>Sheet/Table /Rule</th><th>Estimated/Actual</th><th>Data Source</th><th>Why Estimated</th><th>Methodology</th><th>Assumptions</th><th>Consistency Information</th><th>Additional Comments</th></tr>
<tr><td></td><td></td><td></td><td></td><td>Proposal.

Indexation used to convert real 2014-15 distribution determination figures to nominal dollars is shown in the table below:

<table><tr><th></th><th>TRAN</th><th>DIST</th></tr><tr><td>INDEXATION</td><td>1.072483</td><td>1.072609</td></tr><tr><td>FY2017-18 CPI</td><td>1.476%</td><td>1.277%</td></tr></table></td><td></td><td></td><td>e in which categories were overspent.</td></tr>
<tr><td>8.4 OPEX 8.4.3 - OPERATING & MAINTENANCE EXPENDITURE - EXPLANATION OF MATERIAL DIFFERENCE</td><td>Actual</td><td>Sources of information for this template are from the subject matter experts from the business.</td><td>N/A</td><td>Ausgrid would ordinarily use the operating expenditure forecast from the April 2015 determination as a reference point for comparison. In 2017, the Full Federal Court partly upheld the AER's appeal in relation to the Australian Competition Tribunal's decision to set aside the AER's April 2015 Revenue Determination. A consequence of the Tribunal's decision is that there is no distribution determination for the 2014-19 period and as such it is not strictly correct to compare Ausgrid's actual expenditure outturn with the open determined in the April 2015 decision. As the AER has not provided Ausgrid with the split of the "CPI Adjusted Forecast" between opex categories. Ausgrid is unable to determine in which categories were overspent.</td><td>N/A</td><td>The information provided in template 8.4.3 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.4 including definitions in Appendix F.</td><td>N/A</td></tr>
<tr><td>7.12 Safety and Bushfire 7.12.2.3 - UNIT COSTS</td><td>Actual</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>7.12 Safety and Bushfire 7.12.2 - BUSHFIRE RELATED</td><td>Actual</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>7.12 Safety and Bushfire 7.12.4 - SAFETY IMPROVEMENT OUTCOMES REPORTED TO ESV</td><td>Actual</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>7.12 Safety and Bushfire 7.12.3.1 - NUMBER OF ACTIVITIES</td><td>Actual</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
</table>

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
7.12 Safety and Bushfire 7.12.2.4 - CONTINGENT PROJECT APPLICATIONS - VOLUMES APPROVED	Actual	N/A	N/A	N/A	N/A	N/A	N/A
7.12 Safety and Bushfire 7.12.2.1 - NUMBER OF ACTIVITIES	Actual	N/A	N/A	N/A	N/A	N/A	N/A
7.12 Safety and Bushfire 7.12.5 - RECONCILIATION OF VOLUME OF OUTCOMES REPORTED TO ESV AND AER	Actual	N/A	N/A	N/A	N/A	N/A	N/A
7.12 Safety and Bushfire 7.12.3.2 - EXPENDITURE	Actual	N/A	N/A	N/A	N/A	N/A	N/A
7.12 Safety and Bushfire 7.12.2.5 - CONTINGENT PROJECT APPLICATIONS - EXPENDITURE APPROVED	Actual	N/A	N/A	N/A	N/A	N/A	N/A
7.12 Safety and Bushfire 7.12.2.2 - EXPENDITURE	Actual	N/A	N/A	N/A	N/A	N/A	N/A
7.12 Safety and Bushfire 7.12.1 - SAFETY AND BUSHFIRE RELATED ASSET GROUP DEFINITIONS	Actual	N/A	N/A	N/A	N/A	N/A	N/A

Sheet/Table /Rule	Estimated/Actual	Data Source	Why Estimated	Methodology	Assumptions	Consistency Information	Additional Comments
AND ALLOCATION BASIS							
7.12 Safety and Bushfire 7.12.3.3 - UNIT COSTS	Actual	N/A	N/A	N/A	N/A	N/A	N/A
7.12 Safety and Bushfire 7.12.3 - SAFETY RELATED	Actual	N/A	N/A	N/A	N/A	N/A	N/A