Part of Energy Queensland

7 May 2026

Kami Kaur
Executive General Manager, Networks Regulation
Australian Energy Regulator
Email: networksinformation@aer.gov.au

Dear Ms Kaur,

Re: Draft Update to Annual Information Orders 2026–28 - Electricity Networks

Ergon Energy Corporation Limited (Ergon Energy Network) and Energex Limited (Energex) welcome the opportunity to provide this submission to the Australian Energy Regulator (AER) in response to its consultation on the Draft Annual Information Orders 2026-28 (Draft Orders) for electricity networks. This submission relates to the Draft Orders for distribution networks and is made in our capacity as distribution network service providers (DNSPs) in Queensland.

We acknowledge that the Draft Orders aim to address issues identified through the 2024-25 annual information submissions submitted by DNSPs by:

- clarifying requirements
- correcting specification errors
- updating glossary definitions
- addressing matters requiring exemptions, and
- streamlining reporting processes.

We support the refocusing of the Draft Orders on electricity distributors and the consolidation of reporting into a single Data Submission Workbook, which improves relevance and coherence. However, the narrower scope results in a more detailed and prescriptive instrument, increasing overall compliance effort.

The workbook consolidation, while largely structural, will require DNSPs to remap internal data, reconciliation and assurance processes. As a result, clear and practical transitional guidance would be beneficial to support implementation.

The retention of the 31 October submission deadline, without transitional timing relief, may be challenging given the volume of new and clarified requirements. We recommend that the AER give consideration to more targeted transitional flexibility where new data items or supporting information are introduced.

We strongly support the continuity of core reporting principles, including reliance on audited statutory accounts, accrual accounting, established cost allocation rules and

consistent NULL handling. Explicit guidance encouraging methodological continuity where prior approaches remain appropriate would further support data consistency and efficient compliance.

While we support enhanced transparency through expanded reconciliation, explanatory and export services reporting, the cumulative prescriptiveness of data, narrative and assurance requirements represents a material increase in reporting effort. Additional guidance through worked examples and a proportionate approach to materiality, particularly for export services and supporting information, would assist DNSPs to achieve consistent interpretation and ensure reporting effort remains aligned with regulatory value. Clear guidance on the expected scope of the Basis of Preparation, together with a proportionate application of data security and confidentiality requirements, would further support efficient and consistent implementation.

In this context, Ergon Energy and Energex propose a targeted structural refinement to improve reporting clarity and assurance. Specifically, we recommend disaggregating the reporting currently combined within Worksheet 3.6.8 so that customer numbers by feeder, high voltage line length by feeder, and maximum demand by feeder are reported as separate datasets. The rationale for this proposed change is further elaborated below.

Overall, we support the direction of the Draft Orders, including the draft Appendix A. With targeted refinements to address transition, proportionality and clearer guidance, the framework can deliver a robust and sustainable approach for DNSP regulatory reporting.

Proposed amendment - disaggregation of worksheet 3.6.8

We recommend that the AER consider disaggregating Worksheet 3.6.8, which currently combines customer numbers by feeder, high-voltage (HV) line length by feeder, and maximum demand by feeder within a single reporting template.

These datasets are conceptually distinct, are sourced from different systems of record, apply different business rules and validation cycles, and serve different regulatory purposes. Combining them within a single worksheet does not reflect any underlying analytical dependency and introduces unnecessary complexity and risk into the regulatory reporting framework.

Disaggregating Worksheet 3.6.8 would materially improve data integrity, auditability, and transparency by enabling each dataset to be traced directly to its source system, simplifying validation and assurance processes, and reducing the risk that issues in one dataset affect the reporting or interpretation of unrelated information. This approach is consistent with better-practice principles of regulatory reporting, including clarity, traceability, and minimisation of transformation risk.

The three datasets in Worksheet 3.6.8 support different regulatory analyses, including:

- customer service obligation and density assessment
- asset scale and cost driver benchmarking, and
- assessment of network capacity, utilisation, and augmentation needs.

There is no regulatory requirement for these datasets to be interpreted together at the worksheet level. Accordingly, disaggregation better aligns the structure of the AIO templates with how we understand the AER uses the information.

Maintaining a combined worksheet also risks implying that a causal or proportional relationship between customer numbers, HV line length, and maximum demand, particularly across urban, rural, and industrial feeders exists, which is not necessarily true. Disaggregation reduces the likelihood of misinterpretation and inappropriate comparative or ratio analysis.

While each dataset references “feeders”, operational feeder definitions may differ depending on whether the data relates to customer connections, GIS-based asset boundaries, or operational or modelled demand. A single combined worksheet implicitly forces a reconciled feeder definition, potentially compromising accuracy. Disaggregated reporting allows each dataset to be reported using the most appropriate feeder definition while still enabling cross-referencing through common identifiers.

From an operational and compliance perspective, disaggregation reduces reporting risk by enabling datasets to be prepared and reviewed independently, supporting parallel workflows across subject-matter teams, and improving resilience to future system or methodology changes affecting individual datasets.

The proposed change is structural only. It does not reduce the scope, quality, granularity, or comparability of information provided to the AER, and implementation impacts are expected to be minimal given existing internal data governance arrangements.

We strongly recommend that the AER consider, disaggregating AIO Worksheet 3.6.8 as this would improve clarity, governance and alignment with regulatory intent, enhance auditability, and reduce reporting and compliance risk, without diminishing the information available for regulatory analysis.

Specific comments on Appendix A and general definitions

Ergon Energy Network and Energex support the AER’s objective of improving clarity, consistency and auditability across the Draft Orders. Whilst many proposed amendments represent practical improvements, we believe several targeted refinements are required to ensure reporting feasibility, accurate reflection of operational realities, and proportional regulatory burden. These issues are detailed below and summarised in Appendix A.

- **Network Feeder Reliability Reporting**

  We have concerns with the design of AIO Template 3.6B. While titled as feeder reliability, the template combines multiple non-homogeneous datasets, maximum demand, line length and customer numbers, with differing definitions, sources and timeframes. This design presents material risks to data accuracy, auditability and efficiency, requiring extensive manual reconciliation without clear regulatory benefit. We recommend separating the template into distinct reporting components aligned to their underlying data sources, consistent with earlier consultation outcomes. This would materially improve data integrity and reduce unnecessary complexity.

- **Quality of Service and STPIS Reporting**

  No material issues were identified with most proposed amendments to reliability, energy not supplied and STPIS performance tables, and the continued exclusion of

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MAIFI and MAIFIe remains appropriate. We support the removal of redundant evidence references and the alignment of terminology with the current STPIS framework. Clarification is requested on rounding requirements for the new SAIDI MED Threshold reporting to ensure consistency across DNSPs and audits.

- **TMED Reporting and Audit Transition**

  The proposed inclusion of TMED within external audit scope from FY2027 represents a significant change. TMED calculations require five years of daily SAIDI data, yet only two years of audited AIO data would be available at commencement. To manage this transition, we recommend a hybrid approach using manually validated historical SAIDI data for earlier years and audited AIO data for later years. Reliance on alternative historical datasets is not supported due to structural misalignment and known data limitations.

- **Definitions and Glossary**

  We strongly support the revised definition of "Actual information," which improves clarity for information providers and auditors. However, several definitions require refinement. For example, use of the term "modern equivalent" in asset replacement and repex definitions risks mischaracterising efficient like-for-like replacement practices. We recommend amending or qualifying these definitions to allow for like-for-like replacement where appropriate.

  The proposed definition of non-residential embedded generation is limited to generators with contractual arrangements. This may unintentionally exclude generators that inject energy into the distribution network without a contract. This has potential implications for Energy reporting, Loss calculations, and Economic AIO tables. Further alignment is required between this new definition and the broader embedded generator definition already included in the glossary.

  A technical correction is also required to ensure transformation definitions accurately reflect network configurations. The definition of "Total installed capacity for first step transformation" should refer to 132/110 kV to 66/33 kV, where a second transformation step is required to reach distribution voltage. This correction should be applied consistently across the glossary and Appendix A - Instructions.

- **Minor Corrections and Clarifications**

  In section 8.4, we have identified a typographical error, where "Other ASC" should be amended to "Other ACS".

  We support the introduction of the definition of Overvoltage as it is appropriate given its relevance to equipment performance and customer impacts.

We support the AER's efforts to improve clarity and reduce regulatory burden through more consistent and efficient reporting obligations. We appreciate the opportunity to provide feedback and understand that stakeholder submissions will inform the finalisation of the Draft Orders.

Should you require any additional information or wish to discuss any aspect of this submission, please contact [redacted] or me. This submission does not contain confidential information and may be published.

Yours sincerely

[redacted]

Alena Chrismas
Manager Regulatory Affairs
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Encl. Appendix A – Summary of Issues table outlining Ergon Energy Network/Energex Issues and proposed amendments– Draft 2026–28 AIO

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Appendix A: Summary of Issues table outlining Ergon Energy Network/Energex Issues and proposed amendments– Draft 2026–28 AIO

Ref.	AER Proposal / Draft Requirement	Issue Raised	Ergon Energy Network and Energex Position	Reasoning / Supporting Commentary	DNSP Proposed Amendment
1	AIO Template 3.6.8 Network feeder reliability combines maximum demand, feeder length and customer numbers into a single template	Template design combines non-homogeneous datasets and is titled as a reliability report despite not reporting reliability outcomes	Does not support	Combines datasets from different systems with different feeder definitions, creating data gaps, reconciliation risk and high manual effort without proportional regulatory value.	Split AIO Template 3.6.8 into three templates: Maximum demand, Line length, and Distribution customers by feeder, consistent with the February 2023 consultation.
2	Customer numbers included within AIO Template 3.6.8	Misalignment of customer number reporting with reliability frameworks	Supports with amendment	Customer numbers by feeder are intrinsically linked to reliability reporting and require defined reference dates to ensure auditability.	Require reporting at 1 July and 30 June, aligned with AIO Table 6.3.1.
3	Table 6.3.1 – Sustained Interruptions to Supply	Removal of DRMG references and evidence column	Supports	Improves alignment with STPIS framework and removes unnecessary reporting.	No amendment required.

Ref.	AER Proposal / Draft Requirement	Issue Raised	Ergon Energy Network and Energex Position	Reasoning / Supporting Commentary	DNSP Proposed Amendment
4	Table 6.2.5 – MED Threshold Calculation (new)	Unclear rounding requirements	Supports with clarification	Lack of rounding guidance may result in inconsistent reporting and audit interpretation.	Clarify rounding requirements for SAIDI MED Threshold values.
5	TMED reporting included in AIO audit scope from FY2027	Transitional data availability for audit	Supports intent, with concerns	Five years of daily system SAIDI are required, but only two years of audited AIO data will exist by FY2027.	Permit use of manually validated daily system SAIDI for FY2022–FY2024 and AIO data from FY2025 onwards.
6	Definition of 'Actual information'	Clarification of actual information	Strongly supports	Enhances regulatory certainty and audit clarity by recognising documented allocation methods.	No amendment required.
7	Asset replacement and repex definitions using 'modern equivalent'	Mandatory modern equivalent wording	Does not fully support	Assets are often replaced like-for-like; current wording may misrepresent efficient replacement practices.	Amend definitions to allow like-for-like replacement where appropriate.
8	Definition of non-residential embedded generation	Exclusion of non-contracted generation	Concern	May affect energy reporting, loss calculations and Economic AIO tables.	Align definition with broader embedded generator definition or clarify treatment.
9	Definition of total installed capacity for first step transformation	Incorrect voltage examples	Correction required	Current wording inaccurately describes transmission-to-distribution transformation steps.	Amend to accurately reference 132/110 kV to 66/33 kV.
10	Minor drafting and definitional updates	Typographical error and Overvoltage definition	Supports with corrections	Identified drafting error; Overvoltage definition is appropriate.	Replace 'Other ASC' to 'Other ACS'. Retain Overvoltage definition.