



Australian Government



AUSTRALIAN  
ENERGY  
REGULATOR

# Annual Information Order 2026-28 – Interconnector

Appendix A – instructions

June 2026

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# 1 General instructions

## 1.1 Data requirements

- 1.1.1 Data requirements are identified by reference to table headings, row descriptors and column headings. They are represented as input cells - shaded yellow in the *data submission workbooks*.
- 1.1.2 Reported data (inputs) must meet validation rules and consistency cross checks, as set out in the *data submission workbook*.
- 1.1.3 Where a NULL response is specified as valid, a response to the data requirement is not mandatory.
- 1.1.4 The *interconnector* must identify and explain each NULL response in its *basis of preparation* unless the instructions a relevant to specific data requirement state no explanation is required.
- 1.1.5 Where a NULL response is specified as not valid (that is, a response to the data requirement is mandatory) and the data requirement is not relevant to the *interconnector* in the *reporting period*, it must report '0'.

## 1.2 Reporting framework

- 1.2.1 The *interconnector* must prepare and report the data in the *data submission workbook* in accordance with:
  - (a) the service classifications that apply or applied in the *reporting period*; and
  - (b) the *cost allocation method* approved by the *AER* for the *reporting period*.
- 1.2.2 The *interconnector* must report financial information in the *data submission workbook* that:
  - (a) is derived from the audited statutory accounts;
  - (b) is verifiable by reference to the *audited statutory accounts*;
  - (c) is generally prepared using the accrual basis of accounting;
  - (d) is presented on a fair and consistent basis, from the accounting records that underlie the costs, revenue, assets, and liabilities that may be reasonably attributed to the *interconnector*;
  - (e) in so far as is reasonably practicable, is prepared in accordance with the general rules and format of the *audited statutory accounts*, and use the accounting principles and policies applicable to the audited statutory accounts except as otherwise required by this *Order*;
  - (f) is presented in an understandable manner, without sacrificing relevance or reliability; and
  - (g) states fairly the financial performance of the *interconnector*.

## 1.3 Cost allocation

- 1.3.1 The *interconnector* must allocate all costs that relate to or are incurred in the provision of *prescribed transmission services* in the *audited statutory accounts*, to the *interconnector* in accordance with section 1.3.3.
- 1.3.2 All costs allocated to the *interconnector* in the response to section 1.3.1 must in turn be allocated in accordance with section 1.3.3 to:
- (a) a prescribed transmission service;
  - (b) a negotiated service; or
  - (c) an unclassified or *unregulated service*.
- 1.3.3 A cost allocated to the *interconnector* that is:
- (a) directly attributable to the *interconnector*, must be allocated to the *interconnector*;
  - (b) not directly attributable to the *interconnector* must be allocated to the *interconnector* on a *causation basis*, using an appropriate allocator, determined in accordance with section 4.5 of the *Order*, unless the item is not material;
  - (c) *directly attributable* to the *interconnector* but not directly attributable to a prescribed transmission service, a negotiated service or an unclassified or *unregulated service*, must be allocated in accordance with the approved *cost allocation method*;
  - (d) *capital expenditure* must be allocated to an *asset class* on a *directly attributable* basis or a *causation basis* using an appropriate allocator; and
  - (e) *operating expenditure* must be allocated to an opex category on a *directly attributable* basis or a *causation basis* using an appropriate allocator.

Note: See section 4.5 of the *Order*.

## 1.4 Customer and government contributions

- 1.4.1 The *interconnector* must not carry forward into the *asset base capital contributions* treated as *revenues* in *audited statutory accounts* and included in the value of *assets* in those accounts.
- 1.4.2 The *interconnector* must treat *capital contributions* in accordance with the method approved in the *interconnector's* current *revenue determination*.

## 1.5 Asset base

- 1.5.1 *Asset* revaluations or *adjustments* for impairment are not permitted unless agreed to or required by the *AER*.
- 1.5.2 The *interconnector* must report revaluations or *adjustments* for impairment made in the *audited statutory accounts* in the 'regulatory adjustments' column in Table 9.2.1.
- 1.5.3 The *interconnector* must allocate *capital expenditure* to an *asset class* and not show it under a work in progress heading.

- 1.5.4 The *interconnector* must not include goodwill and any related impairments in the *financial information*.

## 1.6 Regulatory accounting principles and policies

- 1.6.1 The regulatory accounting principles and policies applied by the *interconnector* must:
- (a) be based on a recognisable and rational economic basis;
  - (b) ensure that the resultant *financial information* satisfies the concepts of relevance and reliability;
  - (c) ensure that the substance of the underlying transactions and events is reported in the *financial information*;
  - (d) ensure that the *financial information* can be understood;
  - (e) allow for comparisons to be made over time; and
  - (f) conform to the recognition and measurement principles of the Australian Accounting Standards.
- 1.6.2 Unless otherwise required by this *Order*, the *interconnector* must report *capital expenditure* and associated data (such as *asset* volumes against the *reporting period* on an as-incurred basis.

## 1.7 Data submission workbook

- 1.7.1 There is one *data submission workbook* for *interconnectors*
- Annual Information Orders 2026-28 – Interconnector – Data submission workbook
- 1.7.2 Instructions are set out for each table by worksheet in section 2.
- 1.7.3 The *interconnector* can reduce the file size by pasting over the (formula) validation rules in the *data submission workbook* with values. To do this, first complete the corresponding data table, check the data validation rules (to the right of the data table) have not been violated, (you will see an 'X' where data does not comply with the validation rules) then copy the formulas and paste values (or delete if there are no 'X's). Note: The *AER* will independently verify data validation rules upon receipt of the *data submission workbook*.
- 1.7.4 Where confidential and / or *protected (SOCl) information* has been removed from the relevant version of the *data submission workbook*, any violated 'NULL is not valid' rules from that version of the *data submission workbook* should be ignored.
- 1.7.5 Checks and totals are included on some worksheets. Where there is a variance between data comparators an explanation for the variance must be included in the worksheet.

## 2 Data submission workbook

### 2.1 Worksheet 2.1 Expenditure summary

#### Table 2.1.1 - Prescribed Transmission Services Capex (as Incurred)

- 2.1.1 The *interconnector* must report *capital expenditure* on an ‘as-incurred’ basis.
- 2.1.2 The *capital expenditure* for each *AER* defined purpose must be mutually exclusive and collectively exhaustive.
- 2.1.3 The *interconnector* must provide a reconciliation between the total *capital expenditure* to the gross *capital expenditure* recorded in Table 8.6.1 Indicative Asset Base as Incurred and Table 2.4.2 - Actual Gross Capital Expenditure - as Incurred.
- 2.1.4 If the total gross capex as incurred varies between Table 2.1.1 and Tables 2.4.2 and 8.6.1, the *interconnector* must explain the source of the difference in the reconciliation material.
- 2.1.5 Where the *interconnector* reports a negative value in Table 2.1.1, the *interconnector* must explain the reason for the negative value in the *basis of preparation*.

#### Table 2.1.2 - Prescribed Transmission Service Opex

- 2.1.6 The *interconnector* must report *operating expenditure* on a mutually exclusive and collectively exhaustive basis.
- 2.1.7 The *interconnector* should only report against the purpose ‘other opex’ where the expenditure is not already reported in one of the other expenditure categories.
- 2.1.8 Where the *interconnector* reports a negative value in Table 2.1.2, the *interconnector* must explain the reason for the negative value in the *basis of preparation*.

### 2.2 Worksheet 2.2 Repex

#### Table 2.2.1 - Replacement Expenditure, Volumes and Asset Failures by Asset Category

##### Expenditure

- 2.2.1 The *interconnector* must report *asset replacement capital expenditure* on an as commissioned basis.
- 2.2.2 The *interconnector* must report asset replacement capital expenditure by the prescribed asset class.
- 2.2.3 Where the *interconnector* considers the prescribed *asset classes* do not account for an asset on the *interconnector’s* network, the *interconnector* must add the *asset* to the *asset class* row descriptors that are formatted as input cells.
- 2.2.4 Where the *interconnector* reports *replacement capital expenditure* associated with asset refurbishments/ life extensions, the *interconnector* must add the *asset* to the *asset class* row descriptors that are formatted as input cells. Each asset in this *asset*

*class* must be described by the equivalent asset class followed by the word “refurbished”.

### Asset Replacements and failures

- 2.2.5 The *interconnector* must report data on *asset replacement* on an as commissioned basis.
- 2.2.6 The *interconnector* must report data on asset failure in the reporting year in which the failure commenced.
- 2.2.7 The *interconnector* must report data on *asset replacement* and *failure* by the prescribed *asset class*.
- 2.2.8 Where the *interconnector* considers the prescribed *asset classes* do not account for an asset on the *interconnector's* network, the *interconnector* must add the *asset* to the asset class row descriptors that are formatted as input cells.
- 2.2.9 Where the *interconnector* reports replacement activities associated with asset refurbishments/ life extensions, the *interconnector* must add the *asset* to the *asset class* row descriptors that are formatted as input cells. Each *asset* in this *asset class* must be described by the equivalent *asset class* followed by the word ‘refurbished’.
- 2.2.10 For each row descriptor added as an *asset class*, the *interconnector* must identify the units of measure used to quantify the volume of *asset replacements* and *asset failures*. The units of measure reported do not apply to the *replacement expenditure*, which is measured in \$.
- 2.2.11 For each row descriptor added as an *asset class*, the *interconnector* must report corresponding operational outputs and asset volumes, as per the requirements in Table 5.2.1 Asset Age Profile.
- 2.2.12 The *interconnector* must use the same descriptors for the *interconnector* defined *asset classes*, as were used in the previous reporting year, unless the *asset class* is new.

## 2.3 Worksheet 2.3C Material projects (augex)

- 2.3.1 The *interconnector* must not report *augmentation* data relating to connections in this worksheet.
- 2.3.2 The *interconnector* must not include data for *gifted assets*.

### Table 2.3C.2 - Material Augmentation Projects

- 2.3.3 The *interconnector* must report material projects with a total cumulative expenditure over the life of the project of greater than or equal to \$5 million (nominal), including *augmentation* works on any line or cable in the *interconnector's* network.
- 2.3.4 The *interconnector* must report each project where project close occurred during the *reporting period*.
- 2.3.5 The *interconnector* must report a project identifier for the ‘*Project ID*’. This may be the project name, location and/or code.

- 2.3.6 The *interconnector* must report all expenditures in real dollars, where the real dollar terms are set to the last day of the *reporting period* (for example, for the *reporting period* 1 July 2026 to 30 June 2027, the expenditure is reported in \$*real*, 30 June 2027).
- 2.3.7 The *interconnector* must explain the conversion factors used to derive the real dollar expenditures in its *basis of preparation*.
- 2.3.8 For projects that span across *reporting periods*, the *interconnector* must report data for the *units added* or *units upgraded* in the final year in which expenditure was incurred for the project.
- 2.3.9 Where there was no expenditure or relevant project detail for a *material* project against a heading the *interconnector* should report '0' against the relevant heading for that project.

## 2.4 Worksheet 2.4 Capex by asset class

### Table 2.4.1 - Actual Gross Capital Expenditure – as Commissioned

- 2.4.1 The *interconnector* must report against each *asset class* specified in  
 (a) its current determination as listed in the AER's final decision *post-tax revenue model*; or  
 (b) if the AER's final decision *post-tax revenue model* has been updated, the most recent *post-tax revenue model* issued by the AER.
- 2.4.2 Where allocations are based on assumptions, the *interconnector* must explain the allocation method in the *basis of preparation*.
- 2.4.3 The *interconnector* must explain in its *basis of preparation* the basis upon which it has reported movements in capitalised *provisions*.
- 2.4.4 Reported *provisions* are those that have been included in the associated *capital expenditure*.
- 2.4.5 The *interconnector* must report *capital expenditure* funded by *capital contributions*. *Capital expenditure* for each *asset class* must include the *capital contributions* as a positive value where relevant.

#### Immediate expensing of capex

- 2.4.6 The *interconnector* must report *immediate expensing capital expenditure* against each *asset class* specified in its current determination as listed in the most recent *post-tax revenue model* issued by the AER as part of or after the final determination.
- 2.4.7 Where allocations are based on assumptions, the *interconnector* must explain the allocation method in its *basis of preparation*.
- 2.4.8 The reported value of the *interconnector's immediate expensing capital expenditure* by *asset class* incurred within the *reporting period* must be consistent with the value of *immediate expensing capital expenditure* that has been or will be included in the income tax returns lodged by the *interconnector*, whether Federal or NTER, for the *reporting period*. Where, as a result of the ATO's decision-making process, these values change the *interconnector* must report the updated values to the AER.

- 2.4.9 NULL is a valid response where '*immediate expensing of capex*' is not applicable to the *interconnector*, the NULL response must be explained in the *basis of preparation*.

#### **NCIPAP projects – as commissioned**

- 2.4.10 The *interconnector* must list each project that is defined as a *NCIPAP project* and report total *capex* for that project on an as-commissioned basis.

#### **Table 2.4.2 - Actual Gross Capital Expenditure – as Incurred**

- 2.4.11 The *interconnector* must report against each *asset class* specified in its current determination as listed in the most recent *post-tax revenue model* issued by the *AER* as part of, or after, the final determination. The *asset classes* are linked to the *asset classes* reported in Table 2.4.1 and must not be overwritten or amended.
- 2.4.12 Where allocations are based on assumptions, the *interconnector* must explain the allocation method in the *basis of preparation*.
- 2.4.13 The *interconnector* must explain in its *basis of preparation* the basis upon which it has reported movements in capitalised *provisions*.
- 2.4.14 Reported *provisions* are those that have been included in the associated *capital expenditure*.
- 2.4.15 The *interconnector* must report *capital expenditure* funded by *capital contributions*. *Capital expenditure* for each *asset class* and must include the *capital contributions* as a positive value where relevant.

#### **NCIPAP projects – as incurred**

- 2.4.16 The *interconnector* must list each project that is defined as a *NCIPAP project*, and report *capex* for that project on an as-incurred basis.

## **2.5 Worksheet 2.5 Connections**

- 2.5.1 The *interconnector* must report *augmentation* for connections relating to customer connection requests and only as per the definition of connection work. The *interconnector* must not double count *augmentation* work; it must be classified by primary purpose as either *augmentation* or connections works

#### **Table 2.5.2 - Description Of Connection Projects**

- 2.5.2 Where connection rating is not applicable to the connection project, NULL is a valid response where the NULL response is explained in the *basis of preparation*.
- 2.5.3 Where connection voltage is not applicable to the connection project, NULL is a valid response where the NULL response is explained in the *basis of preparation*.
- 2.5.4 Where Underground/Overhead line type is not applicable to the connection project, NULL is a valid response where the NULL response is explained in the *basis of preparation*.

## 2.6 Worksheet 2.6 Non-network

### Table 2.6.1 - Non-Network Expenditure – Regulatory Accounts (Prescribed Transmission Services)

- 2.6.1 The *interconnector* must report non-network direct expenditure and indirect expenditure for regulatory accounts (prescribed transmission services). These expenditures must be further disaggregated into *capital expenditure* and *operating expenditure*.
- 2.6.2 If the *interconnector* cannot report non-network direct and indirect expenditure in Table 2.6.1, it must report total expenditure only (by overwriting the formulas in the total expenditure column) and leaving the direct expenditure and indirect expenditure columns in Table 2.6.1 NULL.

#### Information and communications technology – Operating Expenditure

- 2.6.3 Where the *interconnector* can report recurrent ICT expenditure disaggregated by ICT category it must do so. The ICT categories reported are to be mutually exclusive and combine to report total recurrent expenditure for the expenditure categories (total, direct, indirect).
- 2.6.4 If the *interconnector* cannot report recurrent ICT expenditures disaggregated by ICT category, it must report total recurrent ICT expenditure for the expenditure categories (total, direct, indirect).
- 2.6.5 Where the *interconnector* can report non-recurrent ICT expenditures disaggregated by ICT category it must do so. The ICT categories reported are to be mutually exclusive and combine to report total non-recurrent expenditures for the expenditure categories (total, direct, indirect).
- 2.6.6 If the *interconnector* cannot report non-recurrent ICT expenditures disaggregated by ICT category, it must report total non-recurrent ICT expenditure for the expenditure categories (total, direct, indirect).
- 2.6.7 The *interconnector* should use ICT categories consistent with the *AER's 2019 ICT expenditure review*, for both recurrent and non-recurrent ICT expenditures.

#### Motor vehicles

- 2.6.8 All Motor Vehicle Expenditure, irrespective of whether it is Network Motor Vehicle Expenditure or non-network Motor Vehicle Expenditure must be recorded in the non-network regulatory template.

#### Buildings and property expenditure

- 2.6.9 The *interconnector* is required to report buildings & property expenditure in Table 2.6.1 as set out by the row and heading descriptors. Data input cells are shaded yellow.

#### Other non-network expenditure

- 2.6.10 Where the *interconnector* reports a negative value, the *interconnector* must explain the reason for the negative value in the *basis of preparation*.

## 2.7 Worksheet 2.7 Vegetation management

### Table 2.7.2 - Expenditure Metrics

#### Vegetation management expenditure

- 2.7.1 The *interconnector* must report annual *vegetation management* expenditure as the direct *vegetation management* expenditure for the *reporting period*.
- 2.7.2 The *interconnector* must report only expenditure on inspections where the *interconnector* inspects solely for the purpose of assessing vegetation. Where the expenditure involves assessing both the *interconnector's* assets and vegetation, the *interconnector* must allocate the expenditure to *maintenance expenditure*.

## 2.8 Worksheet 2.8 Maintenance

### Table 2.8.2 - Cost Metrics for Routine and Non-Routine Maintenance

- 2.8.1 The *interconnector* must report total *maintenance expenditure* in Table 2.8.2 on an as-incurred basis.
- 2.8.2 Where *maintenance expenditure* is incurred that does not relate to the *asset classes* or subcategories listed, it must be reported in 'Other maintenance activity'.
- 2.8.3 Where '*routine*' or '*non-routine*' expenditure has changed by more than 10 per cent compared to the previous *reporting period* for a maintenance item listed in Table 2.8.2, the *interconnector* must explain the driver of the change in the *basis of preparation*.

## 2.9 Worksheet 2.10 Overheads

### Table 2.10.1 - Network Overheads Expenditure

- 2.9.1 The *interconnector* must report *network overheads expenditure* allocated to *operating expenditure* disaggregated into service categories and, for regulatory accounts (PTS), also disaggregated into *direct* and *indirect expenditure*.
- 2.9.2 The *interconnector* must report *network overheads expenditure* allocated to *capital expenditure* disaggregated into service categories and, for regulatory accounts (PTS), also disaggregated into *direct* and *indirect expenditure*.
- 2.9.3 Where the *interconnector* reports negative values in Table 2.10.1, the *interconnector* must explain the reason for the negative value in the *basis of preparation*. This requirement does not apply to data reported as a '*Regulatory adjustment*'.
- 2.9.4 Where there is a difference in the *prescribed transmission services* overheads reported between Table 2.10.1 and Tables 2.1.1, and 2.1.2, the *interconnector* must explain the reason for variance in the 'checks and totals' table at the bottom of the relevant worksheets

## Table 2.10.2 - Corporate Overheads Expenditure

- 2.9.5 The *interconnector* must report corporate overheads expenditure allocated to operating expenditure disaggregated into service categories and, for regulatory accounts (PTS), also disaggregated into direct and indirect expenditure.
- 2.9.6 The *interconnector* must report corporate overheads expenditure allocated to capital expenditure disaggregated into service categories and, for regulatory accounts (PTS), also disaggregated into direct and indirect expenditure.
- 2.9.7 Where the *interconnector* reports negative values in Table 2.10.2, the *interconnector* must explain the reason for the negative value in the *basis of preparation*. This requirement does not apply to data reported as a 'Regulatory adjustment'.
- 2.9.8 Where there is a difference in the prescribed transmission services overheads reported between Table 2.10.2 and Tables 2.1.1, and 2.1.2, the *interconnector* must explain the reason for variance in the 'checks and totals' table at the bottom of the relevant worksheets.

## 2.10 Worksheet 3.1 Revenue

### Table 3.1.3 - Revenue (Penalties) Allowed (Deducted) Through Incentive Schemes

- 2.10.1 The *interconnector* must report the penalties or rewards from all incentive schemes that applied in the reporting year, including service target performance incentive scheme (STPIS), efficiency benefit sharing scheme (EBSS) and Capital Expenditure Sharing Scheme (CESS) against the line items for those schemes.
- 2.10.2 The *interconnector* must add all incentive schemes to Table 3.1.3, and report '0' if no reward or penalty applied to revenues in the reporting year.
- 2.10.3 Revenues reported must reflect the effect on revenues of incentive schemes in the year that the penalty or reward is applied. For instance, if the *interconnector* is rewarded extra revenues for performance under the STPIS in 2024 and gains these revenues in 2026 these revenues must be reported in the 2026 year only.

## 2.11 Worksheet 3.2B Provisions

### Table 3.2.3 - Provisions

- 2.11.1 The *interconnector* must report data on *provisions* in accordance with the requirements of the *Cost Allocation Approach* and the Regulatory Accounting Statements that were in effect for the *reporting period*.
- 2.11.2 The *interconnector* must report data for each of its individual *provisions*. A *provision* is an account that records a specific present liability of the *interconnector* to another *entity*. Examples of *provision* accounts include employee entitlements, doubtful debts and uninsured losses.

- 2.11.3 The *interconnector* must report *provisions* in accordance with the principles and policies applying in the *reporting period*, and apply the following presentation standards:
- (a) if the opening balance has a credit balance and represents a liability associated with the provision, it should be reported as a positive number
  - (b) if the opening balance has a debit balance and represents a ‘negative’ liability associated with the provision it should be reported as a negative number
  - (c) a movement in provisions that increases the liability should be reported as a positive number
  - (d) a movement in provisions that decreases the liability should be reported as a negative number.

## 2.12 Worksheet 3.5 Physical assets

### Table 3.5.1 - Transmission System Capacities

Table 3.5.1.1 – Overhead network length of circuit at each voltage

Table 3.5.1.2 - Underground cable circuit length at each voltage

- 2.12.1 The network *circuit length* is the *circuit length* (measured in kilometres) of lines in service. Lines in service is the total length of lines including interconnectors, backbones and spurs. A double circuit line counts as twice the length. Length must not include vertical components such as sag.
- 2.12.2 For ‘Other overhead voltages’ and ‘Other underground voltages’ the *interconnector* must report the aggregate *circuit length* for all voltages that comprise ‘Other’. The *interconnector* must identify the other voltages in its *basis of preparation*.
- 2.12.3 NULL is a valid response where the ‘overhead voltage’ or ‘underground voltage’ is not applicable to the *interconnector*.

Table 3.5.1.3 - Estimated overhead network weighted average MVA capacity by voltage class

Table 3.5.1.4 - Estimated underground network weighted average MVA capacity by voltage class

- 2.12.4 The *interconnector* must report, for each of the listed voltage classes, estimated typical or weighted average capacities under normal circumstances taking account of limits imposed by thermal or by voltage drop considerations as relevant.
- 2.12.5 NULL is a valid response where the voltage class is not applicable to the *interconnector*.
- 2.12.6 This information will be used to calculate an overall MVA x km ‘carrying capacity’ for each voltage class under normal circumstances. The *interconnector* is required to provide summer *Maximum Demands* for summer peaking assets and winter *Maximum Demands* for winter peaking assets. If the *interconnector’s* peak has

changed from winter to summer (or vice versa) over the time period, winter ratings should be applied for those years where there was a winter peak and summer ratings for those years where there were summer peaks.

- 2.12.7 Where circuits travel both overhead and underground and the capacity of the overhead and underground components is not available separately, the *interconnector* may split the known *circuit capacity* by the ratio of its overhead network to its underground network and report estimated values for the overhead capacity and underground capacity components.

## 2.13 Worksheet 3.6 Quality of service data

### Table 3.6.1 - Service Component

- 2.13.1 The *interconnector* must report service performance outcomes for all parameters that apply to the *interconnector* in the calendar year immediately preceding the *reporting period*, as specified in a revenue determination made by the *AER*.
- 2.13.2 This data requirement adopts the definitions specified in the *service target performance incentive scheme (STPIS)* that applies to the *interconnector* in the calendar year immediately preceding the *reporting period*.
- 2.13.3 The *interconnector* must report unrounded data.

### Table 3.6.2 - Market Impact Component

- 2.13.4 The *interconnector* must report service performance outcomes for the market impact component of the *STPIS* that applies to the *interconnector* in the calendar year immediately preceding the *reporting period*.
- 2.13.5 NULL is valid where the scheme does not apply to the *interconnector* with no explanation required in the *basis of preparation*.

### Table 3.6.3 - System Losses

- 2.13.6 The *interconnector* must report system losses calculated as:

$$((\text{Electricity inflows} - \text{electricity outflows}) \times 100) / (\text{electricity inflows})$$

where:

**Electricity inflows** is the total electricity inflow into TNSP's transmission network including from generation, other connected *TNSPs* at the connection point, and connected distribution network service providers as measured by revenue meters.

**Electricity outflows** is the total electricity outflow into the networks of connected distribution network service providers, other transmission networks and directly connected end-users as measured by revenue meters.

- 2.13.7 The *interconnector* must report the *reporting period*, either financial or calendar year, on which its system losses calculation is made.

## 2.14 Worksheet 5.2 Asset age profile

### Table 5.2.1 - Asset Age Profile

- 2.14.1 All asset volumes are to be reported as at the end of the *reporting period*.
- 2.14.2 The *interconnector* must report data on asset quantities by the prescribed *asset class*.
- 2.14.3 Where the *interconnector* considers the prescribed *asset class* does not account for an asset on the *interconnector's* network, the *interconnector* must report the asset in the row 'other'. All assets in commission reported in the asset class 'other' must be included in the discretionary asset classes listed in Table 2.2.1, even if there are no replacement expenditures, activities or asset failures to report against that asset class.

## 2.15 Worksheet 7.5 Large projects

### Table 7.5.1 - Large Project Expenditure

- 2.15.1 The *interconnector* must report *operating expenditure* and *capital expenditure* incurred in the reporting year for all *large projects*. A *large project* is defined as any project that has commenced, where the expected expenditure on the project exceeds a threshold value.
- 2.15.2 For *interconnectors* the expenditure threshold value is either \$30 million or 5% of the value of the *maximum allowed revenue* for the first year of the relevant regulatory control period, whichever is the larger amount.
- 2.15.3 As the definition of *large project* uses the same threshold as is required for a *contingent project*, a *contingent project* that is triggered will be captured in the *large project* reporting.
- 2.15.4 Do not include expenditure on programs of work unless an individual project within the program meets the definition of a *large project*, in which case the individual project must be included in the *large project* reporting.
- 2.15.5 If the expected expenditure on a project is varied during the life of the project, a project that previously did not meet the definition of a *large project* may subsequently meet the definition after expenditure variations are included in the total expected expenditures.
- 2.15.6 If expected expenditure on a project is varied such that the project no longer meets the definition of a *large project* (that is the total expected expenditure on the project is less than the threshold amount), the project should not be included in Table 7.5.1 in the reporting year.
- 2.15.7 The *interconnector* must report *operating expenditure* and *capital expenditure* for all *large projects*, as incurred in all *reporting periods* covering the life of the project.
- 2.15.8 The *interconnector* must only report the actual expenditure incurred in the reporting year in Table 7.5.1.

- 2.15.9 The *interconnector* is not required to report ongoing costs after the project is commissioned in Table 7.5.1.
- 2.15.10 Table 7.5.1 requires both large project *operating expenditure* and *capital expenditure* by direct and indirect expenditure. The *interconnector* must report overheads expenditure in columns with headings marked ‘indirect expenditure’.

## 2.16 Worksheet 7.6 Price reduction

### Table 7.6.1 - Price Reduction/Recovery

- 2.16.1 Data requirements are identified by reference to table headings, row descriptors and column headings. They are represented as input cells - shaded yellow in the *data submission workbook*. There are no further instructions.

## 2.17 Worksheet 7.7 Related party transactions

### Table 7.7.1 - Related Party Transactions

#### Payments from related parties / Payments to related parties

- 2.17.1 The *interconnector* must report information relating to any material *related party transactions* attributed to, or allocated between, categories of transmission services provided by the *interconnector*.
- 2.17.2 The data requirement relates to aggregate payments to or from related parties, in relation to a specified transaction.
- 2.17.3 The *interconnector* must report ‘type of service’ as one of the following options
- (a) Prescribed
  - (b) Negotiated
  - (c) Non-regulated
- 2.17.4 Where possible, the *interconnector* should report information (related parties, description of transaction and procurement process) consistent with prior years.

## 2.18 Worksheet 7.9 Market impact component

### Table 7.9.4 - Market Impact Component

- 2.18.1 This data requirement adopts the definitions specified in the *STPIS* that applies to the *interconnector* in the calendar year immediately preceding the end of the *reporting period*. (For example, if the *reporting period* ends on 30 June 2025, the data required is for the calendar year 2024.)
- 2.18.2 The *interconnector* must report unrounded data.
- 2.18.3 NULL is valid where the scheme does not apply to *interconnector* with no explanation required in the *basis of preparation*.

## 2.19 Worksheet 8.5 Operating expenditure

### Table 8.5.1 - Operating Expenditure - Audited Statutory Accounts

- 2.19.1 The *interconnector* must identify any expenditure category where the expense is more than five per cent of the total operating expenditure for regulated *prescribed transmission services*. The *interconnector* must identify debt raising cost as an expenditure category, regardless of the expenditure amount.
- 2.19.2 The reported sum of the individual operating expenditure categories must reconcile with the total operating expenditure included in the *Audited statutory accounts* of the *interconnector*.
- 2.19.3 Where the *interconnector* reports a negative value in Table 8.5.1 the *interconnector* must explain the reason for the negative value in the *basis of preparation*.

### Table 8.5.2 - Operating Expenditure - Regulatory Accounts

- 2.19.4 The *interconnector* must report all operating expenditure against all operating expenditure categories reported for the *Audited Statutory accounts*.
- 2.19.5 The *interconnector* must explain the regulatory adjustments in the *basis of preparation*, including a reconciliation with the Audited statutory accounts of the *interconnector*.
- 2.19.6 Where the *interconnector* reports a negative value in Table 8.5.2 the *interconnector* must explain the reason for the negative value in the *basis of preparation*. This requirement does not apply to '*Regulatory adjustments*'.

## 2.20 Worksheet 8.6 Indicative asset base roll forward

### Table 8.6.1 - Indicative Asset Base as Incurred

### Table 8.6.2 - Indicative Asset Base as Commissioned

- 2.20.1 The *interconnector* must report the required data in accordance with the AER's Roll Forward Model, and the definitions in the AER Networks Glossary.
- 2.20.2 The *interconnector* must report the *opening value* in accordance with the following instructions:
- (a) In the first year of a regulatory control period the opening *asset base* value must equal the opening *asset base* value used by the AER to model revenue requirements in the most recent *post-tax revenue model* or *post-tax revenue model* update issued by the AER (at or after the *interconnector's* final determination for the regulatory period).
  - (b) In remaining years of a regulatory control period, the opening *asset base* value should equal the *closing value* of the prior year.

- 2.20.3 The *interconnector* must report the *inflation addition* consistent with the inflation requirement as per the annual revenue adjustment process set out in the final determination.
- 2.20.4 The *interconnector* must report the *forecast straight-line depreciation* based on the forecast real straight-line depreciation determined in the most recent *post-tax revenue model* issued by the *AER* after the final determination but converted to nominal terms.
- 2.20.5 The *interconnector* must report the *gross capex* and *disposals* consistent with expenditures reported in worksheet 2.4 – Capex by asset class, or the *income statements* for *prescribed transmission services - Regulatory Accounts* (Table 9.2.1).
- 2.20.6 The *interconnector* must report the ‘capex timing adjustment’ consistent with the ‘half year WACC adjustment’ described in the RFM, using the WACC value determined in the most recent *post-tax revenue model* issued by the *AER* as part of, or after, the final determination.

## 2.21 Worksheet 8.8 Revenue requirements

- 2.21.1 Reporting throughout ‘8.8 Revenue Requirements’ must be reported per the item’s effect on transmission prices. For example, if the item to be reported reduces prices, then it should be reported as a negative value. If it increases prices, then it should be reported as a positive value.

### Table 8.8.1 - Estimated Revenue Requirements for Reporting Period (TNSP)

#### Adjusted MAR (excluding concessional finance benefits)

- 2.21.2 The *interconnector* must report the maximum allowed revenue (MAR) and all *adjustments* (i.e., per NER cl. 6A.22.1(a)) that modify its *revenue* requirements for the *reporting period*. These amounts will match the information used to set prices in the *reporting period*.
- 2.21.3 Where a row is not applicable to the *interconnector*, the *interconnector* must leave the response NULL and explain this in the *basis of preparation*.
- 2.21.4 The *interconnector* must include, in its *basis of preparation*, a breakdown and explanation of all costs included in the ‘Any other adjustments allowed under NER 6A.3.2’ and ‘Other MAR adjustments’ rows.
- 2.21.5 For the ‘Any other adjustments allowed under NER 6A.3.2’ row, this may include annual *adjustments* to other NER cl. 6A.3.2 amounts (e.g., DMIAM, any *capex* re-opener etc.) that have not already been incorporated into the MAR in the ‘Maximum allowed revenue’ row.
- 2.21.6 For the ‘Other MAR adjustments’ row, this may include any other adjustment that was made to the MAR during price setting that is not captured under NER cl. 6A.3.2, such as any deliberate under recoveries. If the deliberate under-recovery was applied to a specific category of *prescribed transmission service*, then this should be

reported in the 'Other ASRR adjustments (per NER cl. 6A.23.3)' row in the 'Revenue from prescribed services' sub-table.

- 2.21.7 The 'Adjusted MAR (excluding concessional finance benefits)' sub-table excludes *adjustments* to the MAR derived from concessional finance benefits, as these amounts should be reported in the 'Adjusted MAR (including concessional finance benefits)' sub-table.

#### **Adjusted MAR (including concessional finance benefits)**

- 2.21.8 The *interconnector* must report any *adjustments* to the MAR from concessional finance agreements. These are any *adjustments* that have been derived in accordance with NER cl. 6A.3.3(b)(3)(ii) or (iii) and should not include *adjustments* that have already been made to the *Regulatory Asset Base (RAB)*.
- 2.21.9 Where the *interconnector* does not have a concessional finance agreement in place, this table must be left NULL.

#### **Aggregate annual revenue requirement (AARR)**

- 2.21.10 The *interconnector* must report any *adjustments* to the Adjusted MAR that were made in accordance with NER cl. 6A.22.1(b) to derive the AARR.
- 2.21.11 Where a row is not applicable to the *interconnector*, the *interconnector* must leave the response NULL and explain this in the *basis of preparation*.

### **Table 8.8.2B - Estimated Revenue Requirements for Reporting Period (non CNSP)**

#### **Revenue from prescribed services**

- 2.21.12 Where a row is not applicable to the *interconnector*, the *interconnector* must leave the response NULL and explain this in the *basis of preparation*.
- 2.21.13 To determine the total 'Revenue from prescribed services (including ASRR adjustments)' the *interconnector* must report ASRR amounts excluding ASRR adjustments against each category of prescribed service, as well as the adjustments that were made to these services per NER cl. 6A.23.3.
- 2.21.14 ASRR amounts excluding ASRR adjustments are the prescribed transmission service category amounts after the application of NER cl. 6A.23.2 and 6A.23.3(a) but before the application of clause 6A.23.3(b). That is, after the allocation of the AARR to prescribed transmission service categories and after the prescribed TUOS services have been allocated to the locational and non-locational components, but before the further adjustments to ASRR amounts (e.g., for MLEC or settlement residues).
- 2.21.15 ASRR adjustments must be reported per their effect on transmission prices. For example, if the adjustment reduces prices, then it should be reported as a negative value. If it increases prices, then it should be reported as a positive value.
- 2.21.16 For 'Other ASRR adjustments (per NER cl. 6A.23.3)', the *interconnector* must report an aggregated amount for all other adjustments that have been made to ASRR amounts (i.e., adjustments made in accordance with NER cl. 6A.23.3) and which

have not been reported elsewhere in the table. The *interconnector* must include in its *basis of preparation* a description of all revenues included in this line-item.

### Table 8.8.3 - Actual Revenue Recovered for Reporting Period (TNSP)

#### Actual Revenue recovered for reporting period

- 2.21.17 The *interconnector* must report the *revenue* recovered for the *reporting period* by service classification (e.g. prescribed entry services, prescribed exit services etc.). The *interconnector* must include, in the *basis of preparation*, a breakdown and explanation of all costs included in the 'Revenue from other sources' row.
- 2.21.18 Where a *revenue* category is not applicable to the *interconnector*, the *interconnector* must leave the response NULL and explain this in the *basis of preparation*.

#### Revenue unders / overs for reporting period

- 2.21.19 The *interconnector* must report the opening balance and transactions relating to *revenue* over and under recoveries.
- 2.21.20 '(Under)/Over collection for *reporting period*' should reflect the aggregate under/over recovery for the *reporting period* in accordance with clause 6A.23.3(f). That is, how the total estimated *revenue* for all allowed *revenues* and other costs (i.e., settlements and MLEC) compared with the actual *revenue* recovered against these accounts. For *interconnectors* that provide their AARR to a CNSP, this may equal 'Actual revenue recovered for *reporting period*' (Table 8.8.3) minus 'Adjusted MAR (including concessional finance benefits)' (Table 8.8.1) (plus any additional adjustments that were included in estimated *revenues*, e.g., system security costs). All *interconnectors* must provide an explanation and reasoning in the *basis of preparation* for the method adopted to determine this value.
- 2.21.21 The *interconnector* may provide additional disclosures if required to explain the changes in the *revenue* over and under balance in each *reporting period*.

#### Revenue reconciliation (t-2)

- 2.21.22 The *interconnector* must report information reconciling its allowed *revenues* to its out-turn *revenue* recoveries in the *reporting period* ending two years (t-2) prior to the current *reporting period*. For example, if the *reporting period* is for the year ending 30 June 2027, the *interconnector* must reconcile its *revenue* allowance and recoveries for the year ending 30 June 2025.
- 2.21.23 The *interconnector* must identify the dollar terms used to reconcile its *revenue* allowance and recoveries for the *reporting period* (t-2)
- 2.21.24 The *interconnector* must explain the conversion factors used to derive the dollar terms in its *basis of preparation*.
- 2.21.25 Methodologies to determine this amount should be similar to the '(Under)/Over collection for reporting period' (see instruction above), although applied to year t-2 actuals. In this instance, 'Adjusted allowed revenue (year t-2)' is the aggregate *revenue* recovery estimate for year t-2, inclusive of all *adjustments* relevant to the *interconnector*. 'Revenue earned (year t-2)' is the corresponding actual *revenue* that was recovered against these estimates for year t-2. The *interconnector* must provide

an explanation and reasoning in the *basis of preparation* for the methods adopted to determine the values in this table.

- 2.21.26 The *interconnector* may provide additional disclosures to support its revenue reconciliation (t-2). Additional disclosures must be included in the scope of the audit or review engagement for the information in Table 8.8.2.

## 2.22 Worksheet 8.9 Interconnector cost allocation agreement

- 2.22.1 If an *interconnector* is not party to an *interconnector cost allocation agreement* it is not required to complete the tables on worksheet 8.9 – Cost allocation agreement.

### Table 8.9.1 - Interconnector Cost Allocation Agreement

- 2.22.2 The *interconnector* must report the title of the *interconnector cost allocation agreement* and *implementation year* applicable to the *revenue* amounts reported in Tables 8.9.2, 8.9.3 and 8.9.4.
- 2.22.3 The *interconnector* must report the regions to which the *interconnector cost allocation agreement* applies (these are subsequently referred to as Region A and Region B).

### Table 8.9.2 - Calculation of Cost Allocated to Region A

### Table 8.9.3 - Calculation of Cost Allocated to Region B

- 2.22.4 For both regions reported in Table 8.9.1, the *interconnector* must report the details of the *revenues* allocated to the region for the *implementation year*. In doing so, the *interconnector* must demonstrate compliance with the *interconnector cost allocation agreement*.
- 2.22.5 The *interconnector* must report the appropriate descriptor in the 'Name of revenue amount' column.
- 2.22.6 The *interconnector* must include the baseline AARR allocations to each region – that is, the AARR allocation to each region without the *interconnector cost allocation agreement* – as well as the interconnector transfer amount that was specified in the applicable agreement for the implementation year.
- 2.22.7 *Revenue* amounts reporting the 'Regulatory accounts (PTS)' columns must be reported per their effect on transmission prices. For example, if the reported item reduces prices in a region, then it should be reported as a negative value. If it increases prices, then it should be reported as a positive value.

### Table 8.9.4 - Annual Aggregate Revenue Requirement

- 2.22.8 The *interconnector* must report the *interconnector's* aggregate annual revenue requirement ('AARR') for the *reporting period*.
- 2.22.9 The calculated values in Table 8.9.4 should reflect the final adjusted AARR allocations to each region for the implementation year.

2.22.10 In most cases, the value for ‘Sum of revenue allocated to interconnected regions’ should equal the value for ‘Annual Aggregate Revenue Requirement’. If they are not equal, the *interconnector* must explain why they are not equal in its *basis of preparation*. This check is to satisfy that the *interconnector’s cost allocation agreement* has been implemented in accordance with the provisions in part J of chapter 6A of the NER.

## 2.23 Worksheet 9.1 Income statement – audited statutory accounts

### Table 9.1.1 - Income Statement - Audited Statutory Accounts

- 2.23.1 The data requirements are set out in the *data submission workbook* with additional context provided by the general instructions in this document.
- 2.23.2 The *interconnector* must disaggregate Other Revenue where the *revenue* represents greater than 5 per cent of the total *revenue* reported for *Prescribed transmission services*.
- 2.23.3 The *interconnector* must disaggregate Other expenditure where the expenditure is greater than 5 per cent of the total expenditure reported for *Prescribed transmission services*.

## 2.24 Worksheet 9.2 Income statement – regulatory accounts

### Table 9.2.1 - Income Statement - Regulatory Accounts

- 2.24.1 The data requirements are set out in the *data submission workbook* with additional context provided by the general instructions in this document.
- 2.24.2 The *interconnector* must disaggregate ‘Other Revenue’ using the same categories as reported in Table 9.1.1.
- 2.24.3 The *interconnector* must disaggregate ‘Other expenditure’ using the same categories as reported in Table 9.1.1.

## 2.25 Worksheet NSP additional information

- 2.25.1 This worksheet is provided to enable the *interconnector* to provide explanatory material, or alternative presentations of data in support of its submission.
- 2.25.2 Data amendments, that may be submitted in future reporting years can be documented in the table set out in this worksheet, but its use is not mandatory.
- 2.25.3 Other information can be added to the worksheet, as required. The *AER* will publish information in this worksheet unless an explicit claim for confidentiality is made over the information provided.