

AusNet Services Electricity Distribution Regulatory Information

2024-25 Regulatory Year
Responses to Section 4 requirements
Public

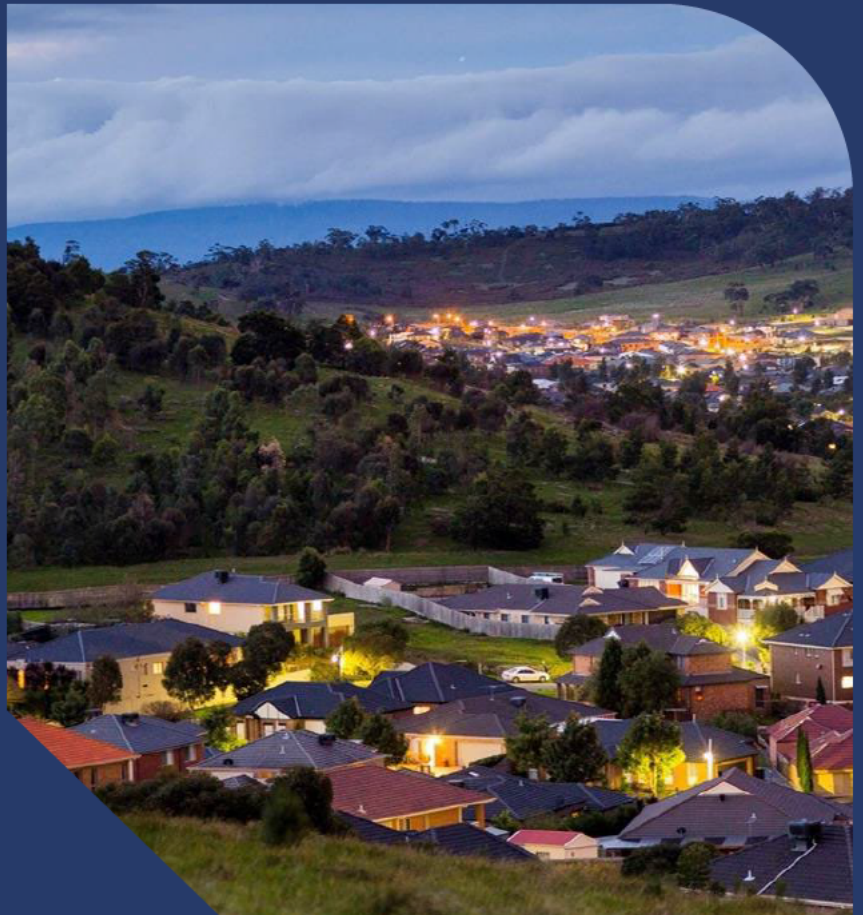


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1. Compliance Checklist

AusNet Electricity Services' submission has addressed each of the requirements contained within Section 4 of the Annual Information Order (AIO) – Distribution dated 5 April 2024. AusNet Electricity Services has included Section 4 responses for the AIO.

Regulatory Accounts	Period
AIO (Regulatory Year or RY25)	1 July 2024 to 30 June 2025

A summary of the requirements is set out in the sections below.

1.1 Schedule 1

Schedule 1 of the submission contains the requirements that AusNet Electricity Services' must meet in respect of the Regulatory Information to be provided to the AER. The Supporting Information Requirements for each clause under section 4 of the Annual Information Order is summarised below, together with comments on how AusNet Electricity Services has complied with the requirements.

This document is referenced to the AER checklist file '*AusNet Electricity Services – Annual Orders – Requirements List – Public*' which was provided by the AER via email on 24 October 2025.

2. Policies and procedures

2.1 Regulatory accounting statements and non-financial information

2.1.1 Regulatory Accounting Principles and Policies

AusNet Electricity Services has previously provided the Regulatory Accounting Principles and Policies to the AER. There have been no changes in Accounting Policies during the Regulatory Year that had a material impact on the information presented. In accordance with Clause 4.2.3, the Principles and Policies are not required to be provided in the current submission.

2.1.2 Changes to the capitalisation policy

As AusNet Electricity Services has previously provided the Capitalisation Policy to the AER previously and there have been no material changes in the Regulatory Year. In accordance with Clause 4.2.3, the Principles and Policies are not required to be provided in the current submission.

2.1.3 Cost Allocation Method

AusNet Electricity Services' policy for determining the allocation of capitalised overheads is consistent with the approach outlined in its approved AER approved Electricity Distribution Cost Allocation Method (**CAM**).

Similarly, the allocation of operating overheads was addressed and approved in Clause 4.2.3 of the CAM ("Shared or Allocated Costs").

2.1.4 Identification and explanation of changes in the policy for allocating overheads

AusNet Electricity Services confirms there were no changes to its policy for allocating overheads for the Regulatory Year.

3. Regulatory Adjustments

For all regulatory adjustments as detailed in Clause 4.3.1, refer to <Attachment A – RY25 8.1 Reconciliation Workbook – Confidential>.

4. Discretionary row descriptors

AusNet Electricity Services confirms there were no changes to discretionary row descriptors in the AIO template in RY25.

5. Cost allocation to the distribution services and service segments

NOTE: Service segment refers to standard control services and alternative control services

5.1 Direct allocations (\$'000)

5.1.1. Operating and Maintenance expenditure direct attributable

Distribution Revenue was extracted from billing systems and SAP General Ledger accounts which are directly attributable to the distribution services and the service segment.

Jurisdictional scheme amounts are calculated from volume and unit price for each tariff (directly attributable to the distribution services and the service segment).

Cross boundary revenue and expenditure is directly attributable to the distribution services and the service segment from SAP General Ledger accounts.

Other TUOS Expenditure including avoided TUOS expenditures were sourced from SAP General Ledger accounts and directly attributable to the distribution services and the service segment.

Maintenance expenditure was captured on work codes which are directly attributable to the distribution services and the service segments.

Operating expenditure excluding maintenance expenditure are directly attributed to the distribution services and service segment included GSL payments and Network support charges sourced SAP General Ledger accounts.

Profit and from sale of fixed assets was identified by asset class - which were directly attributable to the distribution services and service segments.

Depreciation was directly attributable as it is sourced the Regulatory Asset Base template from the AIO.

Recoverable works expenditure is directly attributable to specific project work.

In respect of the AIO for this submission, the tables below summarise the amounts directly attributable to the distribution services and service segments in Template 8.1 of the Annual Regulatory Accounts for the regulatory year for:

- SCS expenditure (Table 5.1.1)
- ACS expenditure (Table 5.1.2)
- SCS revenue (Table 5.1.3)
- ACS Revenue (Table 5.1.4)

Table 5.1.1 \$000's – SCS Expenditure

	Distribution Business	Standard Control Services	Total Direct Attributable
8.1.1.2 - EXPENDITURE			
TUOS expenditure	146,363,404	146,363,404	146,363,404
<i>Cross boundary expenditure</i>	746,376	-	0
<i>Other TUOS expenditure</i>	145,617,028	-	0
Jurisdictional scheme payments	8,325,188	-	0
Maintenance expenditure	150,022,071	145,552,638	145,552,638
Operating expenditure excluding maintenance	0	97,368,517	97,368,517
Other expenditure	357,071,945	303,606,066	303,606,066
<i>Depreciation</i>	349,987,913	298,126,766	298,126,766
<i>Debt raising costs</i>	0	-	0
<i>Loss from disposal of fixed assets</i>	5,868,316	5,479,300	5,479,300
<i>Finance charges</i>	0	-	0
<i>Impairment Losses</i>	0	-	0
<i>Recoverable works</i>	1,215,716	-	0
<i>Other expenses</i>	0	-	0
Total Expenses - Excl ACS	661,782,608	692,890,626	692,890,626

Table 5.1.2 \$000's – ACS Expenditure

	Alternative Control Services						Total Direct Attributable
	Public Lighting		Metering		Fee based Services	Quoted Services	
	Energy efficient	Non-energy efficient	Smart	Legacy			
8.1.1.2 - EXPENDITURE							
TUOS expenditure	-	-	-	-	-	-	-
<i>Cross boundary expenditure</i>	-	-	-	-	-	-	-
<i>Other TUOS expenditure</i>	-	-	-	-	-	-	-
Jurisdictional scheme payments	-	-	-	-	-	-	-
Maintenance expenditure	489,352	1,863,828	1,985,841	-	130,412	-	4,469,433
Operating expenditure excluding maintenanc	-	-	5,853,296	194,035	2,418,621	5,404,697	13,870,650
Other expenditure	-	-	-	-	-	-	-
<i>Depreciation</i>	-	-	-	-	-	-	-
<i>Debt raising costs</i>	-	-	-	-	-	-	-
<i>Loss from disposal of fixed assets</i>	-	-	-	-	-	-	-
<i>Finance charges</i>	-	-	-	-	-	-	-
<i>Impairment Losses</i>	-	-	-	-	-	-	-
<i>Recoverable works</i>	-	-	-	-	-	-	-
<i>Other expenses</i>	1,052,936	1,658,433	46,334,972	-	3,203,822	-	52,250,163
Total Expenses ACS	1,542,288	3,522,261	54,174,109	194,035	5,752,855	5,404,697	70,590,245

Table 5.1.3 \$000's – SCS Revenue

	Distribution Business	Standard Control Services	Total Direct Attributable
8.1.1.1 - REVENUE			
Distribution revenue (excluding DFA revenues)	916,549,192	824,014,393	824,014,393
Dual function asset revenue	0	-	0
TUOS revenue	145,508,409	145,508,409	145,508,409
<i>Cross boundary revenue</i>	10,752,211	-	0
<i>Other TUOS revenue</i>	134,756,198	-	0
Jurisdictional scheme revenue	18,780,406	-	0
Shared asset revenue	0	-	0
Other revenue	9,520,916	1,723,367	1,723,367
<i>contributions</i>	0	-	0
<i>profit from sale of fixed ASSETS</i>	579,285	579,285	579,285
<i>Interest Income</i>	0	-	0
<i>Pass through revenue (F-Factor)</i>	280,279	280,279	280,279
<i>Recoverable works</i>	1,215,716	-	0
<i>Other revenue</i>	7,445,637	863,803	863,803
Total Revenue - Excl ACS	1,090,358,923	971,246,169	971,246,169

Table 5.1.4 \$000's – ACS Revenue

	Alternative Control Services						Total Direct Attributable
	Public Lighting		Metering		Fee based Services	Quoted Services	
	Energy efficient	Non-energy efficient	Smart	Legacy			
8.1.1.1 - REVENUE							
Distribution revenue (excluding DFA revenues)	2,340,798	8,915,555	67,737,717	24,650	6,857,292	-	85,876,013
Dual function asset revenue	-	-	-	-	-	-	-
TUOS revenue	-	-	-	-	-	-	-
<i>Cross boundary revenue</i>	-	-	-	-	-	-	-
<i>Other TUOS revenue</i>	-	-	-	-	-	-	-
Jurisdictional scheme revenue	-	-	-	-	-	-	-
Shared asset revenue	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
<i>contributions</i>	-	-	-	-	-	-	-
<i>profit from sale of fixed ASSETS</i>	-	-	-	-	-	-	-
<i>Interest Income</i>	-	-	-	-	-	-	-
<i>Pass through revenue (F-Factor)</i>	-	-	-	-	-	-	-
<i>Recoverable works</i>	-	-	-	-	-	-	-
<i>Connection charges</i>	-	-	-	-	6,658,786	-	6,658,786
<i>Other revenue</i>	-	-	-	-	6,581,833	1,215,716	7,797,549
Total Revenue ACS	2,340,798	8,915,555	67,737,717	24,650	20,097,911	1,215,716	100,332,348

5.2 Causal allocations

5.2.1 Revenue and Expenditure

Revenue

All Revenue is allocated on a direct basis. There are no causal allocations.

Operating and Maintenance expenditure

AusNet Electricity Services employs an indirect cost allocation methodology to allocate costs that are not directly attributable. These 'shared' costs are initially pooled against cost centres or 'overhead / administration' project codes. Costs are then allocated between relevant categories of services (for regulatory reporting) based on causal cost drivers as follows:

- Significant non-labour items, such as insurance premiums, stores costs and audit fees, and other significant non-project non-labour costs are allocated to service categories by the Finance team using appropriate causal cost drivers, such as asset values or inventory transactions; and
- Non-project costed labour (i.e. labour costs not directly charged to projects) and other general administrative and overhead costs, are subject to allocation via a monthly, formal, business-wide, effort-based using the indirect cost allocation methodology process conducted for every AusNet Electricity Services responsibility centre.

In respect of the current year's Regulatory Accounts, the below table summarises the amounts allocated under each of the above points. The information is considered material in nature.

Table 5.2.1 \$000's

	Standard Control Services	Alternative Control Services						Total Causal Allocation
		Public Lighting		Metering		Fee based Services	Quoted Services	
		Energy efficient	Non-energy efficient	Smart	Legacy			
Finance charges	7,467,758	-	-	-	-	251,860	-	7,719,618
Operating Costs	66,569,276	-	-	-	-	-	-	66,569,276
Total Casual Allocation Expenses	74,037,034	0	0	0	0	251,860	0	74,288,894

Aside from Metering, there is no Alternative Control Services Opex which is causally allocated.

5.3 Non-causal allocations

AusNet Electricity Services confirms it does not allocate any costs on a non-causal basis.

6 Material Differences

6.1 STPIS target performance measure

This section explains the material differences (>10%) between the target performance measure specified in the Service Target Performance Incentive Scheme (STPIS) and the actual performance achieved during RY25 as required by Section 4.7.1 of the Regulatory Information Notice.

Network USAIDI

The RY25 Network USAIDI was 130% above (unfavourable) the STPIS Target (214 versus 165) and ~52.7 minutes (per customer) higher than the RY24 result. Both RY24 and RY25 regulatory years recorded three Major Event Days (MED). The three MEDs in RY24 combined a total of ~673 USAIDI minutes compared with ~234 USAIDI minutes from the three MEDs in RY25. After removing STPIS exclusions (i.e. MEDs, transmission events, etc.), RY25 came out with a (net) USAIDI of 214.17 minutes, higher compared to the RY24 net USAIDI of 161.5. RY25 recorded 23% more moderate/high activity (i.e. Non-MED wind-storm) days compared to RY24 resulting to higher USAIDI minutes lost in RY25 that are not eligible for MED exclusion.

Network USAIFI

The RY25 Network USAIFI was 12% below (favourable) the STPIS Target (1.44 versus 1.63) and ~0.18 interruptions (per customer) higher than the RY24 result. After removing STPIS exclusions (i.e. MEDs, transmission events, etc.), RY25 came out with a (net) USAIFI of 1.44 interruptions, higher compared to the RY24 net USAIFI of 1.26. The performance deterioration was mainly due to the higher count of moderate/high activity (i.e. Non-MED wind storm) days in RY25 that caused more outages than RY24 but are not eligible for MED exclusion.

Network MAIFI

The RY25 Network MAIFI was 19% below (favourable) the STPIS Target (4.18 versus 5.14) and ~0.15 interruptions (per customer) higher than the RY24 result. After removing STPIS exclusions (i.e. MEDs, transmission events, etc.), RY25 came out with a (net) MAIFI of 4.18 interruptions, higher compared to the RY24 net MAIFI of 4.03. The performance deterioration was mainly due to the higher count of moderate/high activity (i.e. Non-MED wind-storm) days in RY25 that caused more outages than RY24 but are not eligible for MED exclusion.

6.2 Operating Expenditure – Actuals vs AER Forecast/Allowance

Electricity Distribution operating and maintenance expenditure (O&M) for RY25 was \$2.1M or 0.7% below the AER Allowance.

OPEX	Actual	Allowance	Var \$
Jul 24 to Jun 25	\$309.5M	\$311.6M	\$2.1M

Given the variance is below +/-10%, no further analysis required.

6.3 Capital Expenditure – Actuals vs AER Forecast/Allowance

CAPEX	Actual	Allowance	Var \$
Jul 24 to Jun 25	\$468.8M	\$282.8M	(\$185.9M)

The Electricity Distribution capex (net of capital contributions) was above the AER allowance by \$185.9M or 65.7% for RY25.

Key variances include:

- **Augmentation:** \$26.4M above allowance, mainly due to timing of key network upgrades and special works.
- **Replacement:** \$86.4M above allowance, reflecting catch-up on delays in major station rebuild and other replacement projects in previous years; overspend expected to persist.
- **Non-Network:** \$57.7M above allowance, driven by higher and timing of major digital initiatives, such as SAP Upgrades, Customer Service.
- **Capitalised Overheads:** \$8.6M above allowance, consistent with higher overall capex.
- **Distributed Energy Resources:** \$3.6M below allowance (timing-related).
- **Other:** \$10.4M above allowance, primarily safety and connections.

7 Compliance

7.1 Classifications per 2022-2026 Distribution Determination requirements

AusNet Electricity Services has complied with AusNet Electricity Services' CAM to ensure distribution services have been classified as determined in the 2022-2026 Determination.

Further, AusNet Electricity Services has ensured appropriate due diligence procedures are in place, and the Regulatory Accounting Statements are subject to external independent audit.

7.2 Negative change events

AusNet Electricity Services confirms there were no negative change events which occurred during the reporting period.

8 Demand management incentive allowance / scheme

8.1 Demand Management Innovation Allowance Mechanism

In accordance with Clause 4.10.2 of the AIO, AusNet is required to submit an annual report on expenditure attributed to Demand Management Innovation Allowance (**DMIAM**) for each regulatory year, where the capital expenditure must fulfil the DMIAM criteria. The expenditure for the period from 1 July 2024 to 30 June 2025 is \$2,087,937.

Refer to 2024-25 DMIAM Annual Report 2025 for further information.

8.2 Demand Management Incentive Scheme

In accordance with Clause 4.9.2 of the AIO, AusNet is required to submit a Compliance Report on the Demand Management Incentive Scheme (**DMIS**), to the AER no later than 4 months after the end of each regulatory year.

Each Compliance Report must include two parts - Part A and Part B. Part A includes information on committed projects and Part B contains information on projects that the distributor has identified as eligible projects.

Refer to 2024-25 DMIS Part A & B Annual Report 2025 for further information.

9 Tax Standard Asset Lives

From 1 July 2021, the standard tax lives contained in the AER Final decision PTRM for AusNet Electricity Services Ltd (2022-26) were adopted which are broadly consistent with the values prescribed by the Commissioner for taxation in the Australian Tax Office ruling 2020/3 and the Income Tax Assessment Act 1997 (ITAA).

10 Regulatory Investment Test

AusNet Services has incurred expenditure during the relevant regulatory year relating to the following projects, where the process has concluded, that has undergone a regulatory investment test.

Project Name	Date process concluded	Expenditure Incurred in RY25?	Type
Tranche Three of the Rapid Earth Fault Current Limiter Program for Reliability Corrective Action	2-Jun-21	Yes	Augmentation
22kV Feeders Fuse Savers Program	31-May-22	Yes	Replacement
3G Modem Replacement Program	5-June-2022	Yes	Replacement
Overhead Manual Switch Replacement Program	17-March-2024	Yes	Replacement

11 Related Party Information

All related party transactions reported were obtained from SAP enterprise system.

Although there are related party transactions, there are no specific contracts in place between AusNet Electricity Services and its related parties as related party transactions are recorded via intercompany financial entries in the SAP system.

Hence, AusNet Electricity Services can obtain all relevant information to be able to meet its reporting obligations under the AIO.

12 Vegetation Management

Given Victoria's strong regulatory environment in electricity, Ausnet adheres to several regulations enforced by Energy Safe Victoria (ESV) for Vegetation Management. These include:

- Electricity Safety Act 1998: The overarching legislation that takes precedence above all subordinate electricity safety regulations.
- Electricity Safety (Electric Line Clearance) Regulations 2020: Specific to vegetation management most relevant for RY25.
- Electricity Safety (Electric Line Clearance) Interim Regulations: New regulation that supersedes Electric Safety (Electric Line Clearance) Regulations 2020 as of late June.

Given the comprehensive nature of the Victorian regulations, Ausnet largely are guided by these guidelines to form the vegetation management program. Thus, resulting in limited self-imposed standards, having said this, Ausnet do conduct a vegetation slashing/mulching and herbicide program. This is to significantly reduce fuel load on electricity easements which make the easements easier to traverse, and to inspect due to lack of visual obstructions. I.e. if a fire is to come through an easement, this will significantly protect the infrastructure as there is far less fuel to burn, therefore less heat to damage electrical assets. Out of the total vegetation management costs detailed in template 2.7, [REDACTED] is in relation to slashing and herbicide.

13 Reconciliation of Expenditure

Non-network expenditure as reported in template 2.6 of the submission workbook has not been reported against more than one operating expenditure category.

14 Benchmarking Asset Base

AusNet Electricity Services has not opted for the Optional additional approach set out in Appendix A Data workbook instructions, Section 8.15 Optional additional approach.

Hence there are no further reporting requirements as per 4.19 of the AIO.

15 Taxable Income Adjustments

The requirements of section 4.20 Taxable income adjustments of the AIO have been covered in the Basis of Preparation for template 8.7 Profitability – Tax Data, noting:

- There were no material permanent differences due to disallowed interest expense reported in template 8.7.
- There were no material permanent differences due to adjustments in prior year returns.
- There were no carried forward tax losses or tax losses utilised for AusNet Distribution during the Regulatory Year

Please refer to Basis of Preparation document included within the Annual Information Order submission for further details.

16 Interest Expense

The requirements of section 4.18 Interest Expense of the AIO have been covered in the Basis of Preparation for template 8.7 Profitability – Tax Data.

Please refer to Basis of Preparation document included within the Annual Information Order submission.

17 Large Projects

The below table summarises the RY25 large projects against the requirements as detailed in Clause 4.23.1.

Project Name	Contingent Project?	AER Allowance
REFCL T3 ZS WORK - KLO	Yes	N/A - AusNet manages regulatory allowances at a portfolio and category level rather than at an individual project level. This approach ensures efficient allocation of resources across programs and aligns with the principles of the regulatory framework, which focuses on overall prudence and efficiency rather than granular project-by-project tracking. While we do not maintain project-level allowance records, we apply robust governance and reporting processes to ensure compliance with approved expenditure and deliver outcomes consistent with regulatory objectives.
Bare Conductor Replacement	No	
MWTS South 66 kV Loop – Stage 1	Yes	
WO-BWA - 2nd 66kV circuit	Yes	
TGN-MFA 66kV Line Reconductoring	Yes	
ADMS Implementation - ICT - D	Yes	
ADMS - Phase 3	Yes	

18 Attachments

As required under 4.1.2 of the Annual Information Order, the below table lists all submitted documents as part of AusNet Electricity Services' Response to the Annual Information Order to the AER:

Doc. No.	Document/File Reference
1	AusNet Electricity Services – Annual Order – 2024-25 – Regulatory Templates - Confidential
2	AusNet Electricity Services – Annual Order – 2024-25 – Regulatory Templates – Public
3	AusNet Electricity Services – Annual Order – 2024-25 – Basis of Preparation - Public
4	AusNet Electricity Services – Annual Order – 2024-25 – Section 4 Supporting Information - Confidential
5	AusNet Electricity Services – Annual Order – 2024-25 – Section 4 Supporting Information - Public
6	AusNet Electricity Services – Annual Order – 2024-25 – Reconciliation Workbook - Confidential
7	AusNet Electricity Services – Annual Order – 2024-25 – Corporate Structure - Confidential
8	AusNet Electricity Services – Annual Order – 2024-25 – Organisational Structure - Confidential
9	AusNet Electricity Services – Annual Order – 2024-25 – DMIAM Report – Public
10	Ausnet Electricity Services – Annual Order – 2024-25 – DMIS Part A & B Annual Report - Confidential
11	Ausnet Electricity Services – Annual Order – 2024-25 – DMIS Part A & B Annual Report - Public
12	AusNet Electricity Services – Annual Order – 2024-25 – Directors Declaration DMIAM – Confidential
13	AusNet Electricity Services – Annual Order – 2024-25 – Confidentiality Statement - Public
14	AusNet Electricity Services – Annual Order – 2024-25 – EY Financial Audit Report – Confidential
15	AusNet Electricity Services – Annual Order – 2024-25 – EY Financial Review Report – Confidential
16	AusNet Electricity Services – Annual Order – 2024-25 – EY Non-Financial Review Report – Confidential
17	AusNet Electricity Services – Annual Order – 2024-25 – WSP Non-Financial Review Report – Confidential
18	AusNet Electricity Services – Annual Order – 2024-25 – Statutory Declaration (Signed) – Confidential
19	AusNet Electricity Services – Annual Order – 2024-25 – Statutory Declaration (Redacted) – Public

Checklist of requirements for DNSP 4.1.2 (a):			DNSP's Response:
4	Supporting information requirements		
4.1	Requirement to provide supporting information under this Order		
4.1.1	Electricity distributors must prepare and provide the AER with the information set out in sections 4, 5 and 6 of this Order.		Refer to Section 7 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.1.2	Electricity distributors must provide the following information to assist the AER in identifying the information:	(a) a table that identifies each response to this section 4 and where it is provided in the annual information submission; (b) a table that references each file (workbook, document or other) provided, where each file listed in the table must be given a name in the form: [Electricity distributor name] – Annual Order – [reporting period] – [title] – [public/confidential]	This document should be used as your response to 4.1.2(a). Refer to Section 18 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.2	Policies and procedures		
4.2.1	The electricity distributor must provide its policies and procedures, encompassing:	(a) regulatory accounting principles and policies, (b) capitalisation policy, (c) policy/procedures for the allocation of overheads, in accordance with the approved cost allocation method.	Refer to Section 2 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.2.2	The electricity distributor must identify any changes to the policies and procedures listed at 4.2.1 that have occurred in the reporting period, and describe:	(a) the reason for the change (b) the impact of the change on the information being reported.	as above
4.2.3	If the policies and procedures required at 4.2.1 have previously been submitted to the AER, and have not been amended since that submission the electricity distributor must report the previous submission date, and does not have to provide the policies and procedures again.		as above
4.3	Regulatory adjustments		
4.3.1	For regulatory adjustments recorded in the data workbooks (Workbook 06 – Operating expenditure, Workbook 09 – Revenue and financial statements) the electricity distributor must provide information that reconciles and explains all adjustments between the audited statutory accounts and the Distribution business, set out in a regulatory adjustment reconciliation report.		Refer to Section 3 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.3.2	For each regulatory adjustment recorded in the data workbooks (Workbook 06 – Operating expenditure, Workbook 09 – Revenue and financial statements) the regulatory adjustment reconciliation report must include:	(a) a detailed explanation for the underlying reason for the regulatory adjustment. (b) methodology and assumptions used to quantify the regulatory adjustment. (c) details of relevant debits and credits associated with the regulatory adjustment.	as above
4.3.3	If an electricity distributor has previously provided the AER with a regulatory adjustments journal in response to annual reporting obligations in place for the 2022-23 reporting year, then the regulatory adjustment reconciliation report must continue to be in the form of a regulatory adjustments journal.		as above
4.4	Discretionary row descriptors		
4.4.1	Electricity distributors should keep discretionary row descriptors (inputs) used to meet the information requirements in the data workbooks at Appendix A the same in each reporting period.		Refer to Section 4 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.4.2	If an electricity distributor has varied the row descriptors (input) compared to those used in the previous reporting period or regulatory year, the electricity distributor must provide:	(a) an explanation of the relationship between the current row descriptors, and those used previously (b) an explanation of why the change was made (c) supporting material (or references to supporting material) driving the change (including for example policies, guidelines, or accounting standards).	as above
4.5	Allocation of revenues and expenditures to distribution services		
4.5.1	For each item of revenue or expenditure that is not directly attributable and is reported on a causal allocation basis to distribution services provide:	(a) a description of the causal basis of allocation (b) the numeric quantity of the allocator (c) an explanation of why the allocator was selected.	Refer to Section 5 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>

Checklist of requirements for DNSP 4.1.2 (a):			DNSP's Response:
4	Supporting information requirements		
4.5.2	For each item of revenue or expenditure that is not directly attributable and is reported on a non-causal allocation basis to distribution services provide:	(a) a description of the non-causal basis of allocation (b) the numeric quantity of the allocator (c) an explanation of why the allocator was preferred over other possible allocators (d) an explanation why no causal basis of allocation could be established (e) documents showing any approval previously granted by the AER to use the allocator.	as above
4.6	Allocation of revenues and expenditures to service segments		
4.6.1	For each item of revenue or expenditure reported on a causal allocation basis from distribution services to a service segment provide:	(a) a description of the causal basis of allocation (b) the numeric quantity of the allocator (c) an explanation of why the allocator was selected.	Employees of the AusNet Services Group work across the networks/businesses and there are shared costs, overheads and other corporate costs that cannot be directly allocated to a particular network or business. These costs are proportioned amongst AusNet Services' three regulated networks, as well as unregulated businesses, based on a monthly indirect cost allocation process in accordance with the Cost Allocation Methodology ("CAM") document as approved by the AER in November 2019.
4.6.2	For each item of revenue or expenditure reported on a non-causal allocation basis from distribution services to a service segment provide:	(a) a description of the non-causal basis of allocation (b) the numeric quantity of the allocator (c) an explanation of why the allocator was preferred over other possible allocators (d) an explanation why no causal basis of allocation could be established (e) documents showing any approval previously granted by the AER to use the allocator.	N/A - AusNet confirms it does not allocate any costs on a non-causal basis.
4.7	Material differences		
4.7.1	Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the target performance measure specified in the service target performance incentive scheme and actual performance reported in the data workbooks.		Refer to Section 6 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.7.2	Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the AER's forecast operating expenditure and actual operating expenditure reported in Workbook 06 - operating expenditure.		as above
4.7.3	Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the AER's forecast capital expenditure by purpose and actual capital expenditure by purpose reported in Workbook 07 - capital expenditure.		as above
4.7.4	Explain the reasons for each difference identified in the response to section 4.7.1, 4.7.2 and 4.7.3.		as above
4.8	Compliance		
4.8.1	Explain the procedures and processes used by the electricity distributor to ensure the distribution services have been classified in accordance with the electricity distributor's current distribution determination.		Refer to Section 7 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.8.2	Explain the procedures and processes used by the electricity distributor to ensure the negotiated service criteria, as set out in the electricity distributor's current distribution determination, have been applied.		as above
4.8.3	Describe the process the electricity distributor has in place to identify a negative change event under clause 6.6.1(f) of the NER and the materiality threshold applied to these events.		as above
4.9	Demand management incentive scheme		
4.9.1	Identify each demand management incentive scheme (DMIS) eligible project and committed project for which the electricity distributor seeks approval.		Refer to Section 8 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.9.2	For each DMIS eligible project identified in the response to section 4.9.1:	(a) explain how it complies with the AER's RIT-D or the minimum project evaluation requirements detailed at section 2.2.1 of the DMIS; (b) submit a demand management compliance report in accordance with section 2.4 of the DMIS.	as above

Checklist of requirements for DNSP 4.1.2 (a):			DNISP's Response:
4	Supporting information requirements		
	4.9.3 For each committed project identified in the response to section 4.9.1:	(a) explain how it complies with committed project requirements as detailed at section 2.2.2 of the DMIS; (b) calculate the project incentive that each committed project can receive, in accordance with section 2.3 of the DMIS; (c) calculate total financial incentive that a distributor can accrue across all committed projects for the reporting period in accordance with section 2.5 of the DMIS; (d) submit a demand management compliance report in accordance with section 2.4 of the DMIS.	as above
	4.9.4 Provide an overview of developments in relation to projects or programs completed in previous years of the current regulatory control period, and of any results to date.		as above
	4.9.5 Provide any other required information as specified by the DMIS.		as above
4.10	Demand management innovation allowance mechanism		
	4.10.1 Identify each demand management innovation allowance mechanism (DMIAM) eligible project for which the electricity distributor seeks approval.		Refer to Section 8 of <AusNet Electricity Services 2024-25 - Section 4 Supporting information>
	4.10.2 For each DMIAM eligible project identified in the response to section 4.10.1:	(a) explain how it complies with project criteria detailed at section 2.2.1 of the DMIAM; (b) submit a compliance report in accordance with section 2.3 of the DMIAM.	as above
	4.10.3 Provide an overview of developments in relation to projects or programs completed in previous years of the current regulatory control period, and of any results to date.		as above
	4.10.4 Provide any other required information as specified by the DMIAM.		as above
4.11	Tax standard asset lives		
	4.11.1 Identify all tax standard asset lives applied to asset classes that differ from those contained in the AER approved Post Tax Revenue Model for the reporting period.		Refer to Section 9 of <AusNet Electricity Services 2024-25 - Section 4 Supporting information>
	4.11.2 Explain the reasons for each difference identified in section 4.11.1 including reasons for any departure from the Australian Tax Office's most recent determination of effective life.		as above
4.12	Tax reporting – immediate expensing		
	4.12.1 List and explain the types of capital expenditure (such as refurbishment capital expenditure and capitalised overheads) associated with the immediate expensing capital expenditure as reported in the data workbooks, if any.		Refer to Ausnet's Electricity Services' Annual Regulatory Accounts submission
	4.12.2 State if the electricity distributor has, since the last reporting period, changed and/or intends to change its tax policy on immediate expensing capital expenditure and explain the rationale for the change and impact of the change.		N/A - No changes to tax policy on immediate capital expenditure.
4.13	Regulatory investment test expenditure		
	4.13.1 For each project where the electricity distributor has incurred expenditure during the reporting period relating to a project that has undergone a RIT-D in accordance with r.5.17 of the NER and the AER's RIT-D application guidelines provide the following details:	(a) the name of the RIT-D and the date on which the RIT-D process was concluded; and (b) whether the expenditure on the project is classified as augmentation expenditure or replacement expenditure.	Refer to Section 10 of <AusNet Electricity Services 2024-25 - Section 4 Supporting information>
4.14	Related party information		
	4.14.1 For each related party transaction reported in Workbook 09 – Revenue and financial statements, the electricity distributor must confirm that the contract or arrangement with the related party requires the related party to provide all relevant information to enable the electricity distributor to meet its reporting obligations (including allocation or attribution of costs of that related party contract) under this Order.		Refer to Section 11 of <AusNet Electricity Services 2024-25 - Section 4 Supporting information>
4.15	Reporting of fines and penalties		

Checklist of requirements for DNSP 4.1.2 (a):			DNSP's Response:
4	Supporting information requirements		
4.15.1	Where any fine or penalty has been incurred by the electricity distributor during the reporting period as a result of non-compliance with:	(a) a distribution safety standard; or (b) distribution reliability standard; or (c) distribution service standard; or (d) the NEL or NER; or (e) the National Energy Retail Law or National Energy Retail Rules; or (f) any Act or instrument referred to in s.2D(1)(b)(ii) to (v) of the NEL, the electricity distributor must identify and itemise each fine or penalty (including a description of the non-compliance, the size of each fine or penalty, and the relevant authority that levied each fine or penalty).	AusNet Services has not included any of that expenditure or cost, or any part of that expenditure or cost, in the operating expenditures contained in the response to this notice.
4.15.2	For all such fines or penalties identified in response to section 4.15.1, the electricity distributor must provide a statement attesting that:	(a) The electricity distributor has not included any of that expenditure or cost, or any part of that expenditure or cost, in the operating expenditures contained in its response to this Order; and (b) The electricity distributor has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and (c) The electricity distributor has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.	AusNet Services has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users.
4.15.3	Where no such fines or penalties have been identified in response to section 4.15.1, the electricity distributor must provide a statement attesting that no such fine or penalty has been incurred.		AusNet Services has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.
4.15.4	The fines or penalties identified in section 4.15.1 exclude any payments made in accordance with the AER's incentive schemes (including guaranteed service level payments under Chapter 6 of the AER's service target performance incentive scheme) or any relevant jurisdictional guaranteed service level scheme.		as above
4.16	Tariff variations		
4.16.1	The electricity distributor must provide an explanation of the timing and nature of any material changes in the level and structure of tariffs in the reporting period.		The tariff structures reflect AusNet's approved 2022-26 Tariff Structure Statement (TSS) and price levels are compliant with the total annual revenue and side constraints set out in AusNet's approved 2024/25 Annual Pricing Proposal
4.16.2	The electricity distributor must provide an explanation of any material tariff reassignments in the reporting period.		387 customers were assigned to AusNet's demand-based (NASN) tariffs for the 2024/25 year on the basis of their annual consumption, in accordance with AusNet's TSS
4.17	Vegetation management		
4.17.1	The electricity distributor must provide a list of regulations that result in a material cost on performing vegetation management works (including, but not limited to, bushfire mitigation regulations).		Refer to Section 12 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.17.2	The electricity distributor must provide a list of self-imposed standards from the electricity distributor's vegetation management program.		as above
4.17.3	The electricity distributor must provide an explanation of the cost impact of regulations and self-imposed standards on performing vegetation management work in the reporting period.		as above
4.18	Reconciliation of expenditure		
4.18.1	The electricity distributor must identify all non-network operating expenditure items that have been reported against more than one operating expenditure category. The report must specify the relevant categories and expenditure amounts, for each non-network expenditure item allocated to multiple categories and enable reconciliation to total non-network operating expenditure reported on a mutually exclusive/collectively exhaustive basis to meet the requirement for Opex by purpose.		Refer to Section 13 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.19			
4.19.1	If the electricity distributor wishes to report benchmarking asset base values in accordance with the Optional additional approach set out in Appendix A Data workbook Instructions, Section 8.1.5 Optional additional approach, it must:	a) Submit the economic benchmarking asset base tables prepared using the optional additional approach as a separate data submission b) Provide a basis of preparation detailing the estimation of the asset base data.	Refer to Section 14 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>




Checklist of requirements for DNSP 4.1.2 (a):			DNSP's Response:
4	Supporting information requirements		
4.20	<p>Taxable income adjustments</p> <p>The electricity distributor must provide in its basis of preparation, the methodology used to determine the permanent differences due to disallowed interest expenditure, and specify the interest expenditures it has assessed to be non-deductible.</p> <p>The electricity distributor must provide in its basis of preparation, details of the prior year tax adjustments, including the reasons for the change (e.g. change in legislation, court judgment or Australian Tax Office correspondence where relevant).</p> <p>If the electricity distributor has reported tax losses carried forward in Workbook 09 - Revenue and financial statements it must provide an explanation of the factors that have resulted in the carried forward tax losses.</p> <p>The electricity distributor must report any tax losses that have been used by the electricity distributor during the regulatory year. The electricity distributor must provide supporting calculations for the tax losses used.</p>		<p>Refer to Section 15 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information></p> <p>as above</p> <p>as above</p> <p>as above</p>
4.21	<p>Interest expense</p> <p>The electricity distributor must provide in its basis of preparation, in relation to its interest expenditure:</p>	<p>(a) a description and explanation of the methodology used to allocate the interest expenditure. This methodology should provide:</p> <p>i. the specific debt that has been allocated to the electricity distributor's core regulated services;</p> <p>ii. the general debt that has been allocated to the electricity distributor's core regulated services;</p> <p>iii. the method used to allocate the specific debt and general debt between the regulated and unregulated assets held at the group level and also to the core regulated services; and</p> <p>iv. the method used to allocate related party interest to the electricity distributor's core regulated services, to the extent related party debt has been included in the specific or general debt allocations; and</p> <p>(b) if available or applicable to the electricity distributor, details of the characteristics of the portfolio of debt being allocated to the electricity distributor, including:</p> <p>i. the value of drawn debt allocated to the electricity distributor's core regulated services;</p> <p>ii. the portfolio-weighted average term of debt instruments giving rise to interest expense reported; and</p> <p>iii. any additional detail in its basis of preparation, that electricity distributor would consider relevant in understanding the allocated interest expenditure</p>	<p>Refer to Section 16 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information></p> <p>as above</p>
4.22	<p>Small scale incentive schemes</p> <p>Customer service incentive scheme</p> <p>For every reporting year for which a customer service incentive scheme applies to the electricity distributor, the electricity distributor must report the information specified in the AER's regulatory determination that applied the scheme (applicable regulatory determination). The information must be reported in a form consistent with the requirements set out in the applicable regulatory determination, or as otherwise agreed with the AER.</p> <p>Information reported under section 4.22.1 is required to be included in the basis of preparation submitted by the electricity distributor.</p> <p>Information reported under 4.22.1 is subject to the assurance requirements set out in the applicable regulatory determination.</p> <p>Export service incentive scheme</p>		<p>As agreed with AER via email on 27th February 2025, Ausnet have suspended the CSIS for RY25 and RY26.</p> <p>as above</p> <p>as above</p>

Checklist of requirements for DNSP 4.1.2 (a):			DNSP's Response:
4	Supporting information requirements		
4.22.4	For every reporting year for which an export service incentive scheme applies to the electricity distributor, the electricity distributor must report the information specified in the applicable regulatory determination that applied the scheme. The information must be reported in a form consistent with the requirements set out in the applicable regulatory determination, or as otherwise agreed with the AER.		Not Applicable to AusNet Electricity Services
4.22.5	Information reported under section 4.22.4 is required to be included in the basis of preparation submitted by the electricity distributor.		as above
4.22.6	Information reported under 4.22.4 is subject to the assurance requirements set out in the applicable regulatory determination.		as above
4.23	Large projects		
4.23.1	For each large project reported in Workbook 07 – Capital expenditure the electricity distributor must report:	(a) the date of an AER determination to incorporate the expenditure forecast for the large project into the maximum allowed revenues for the electricity distributor (b) whether the project is a contingent project (as defined in the NER) (c) the expenditure forecast for the reporting year; the difference between forecast and actual expenditure; and drivers of the difference.	Refer to Section 17 of <AusNet Electricity Services 2024-25 - Section 4 Supporting Information>
4.24	Circuit capacity		
4.24.1	The electricity distributor must describe in its basis of preparation the methodology used to estimate circuit capacities reported in Workbook 03 – Network metrics – Circuit capacity.		Refer to Section 3.5 of <2024-25 AusNet Electricity Services Annual Information Order - Basis of Preparation>
4.24.2	The electricity distributor must explain any changes in methodology used to estimate circuit capacity implemented for the reporting period.		as above

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