AusNet

AusNet Transmission Group Pty Ltd

Annual Information Order

2024-25 Regulatory Year
Regulatory Accounts

Basis of Preparation

Public

AusNet

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1. Overview

As per section 5.1.1 of the Annual Information Order – Electricity Transmission ("**AIO"**) issued by the Australian Energy Regulator (**"AER"**) on 5 April 2024 under the National Electricity Law ("**NEL**"), AusNet Transmission Group Pty Limited ("**AusNet Transmission**") must prepare and submit a Basis of Preparation for each annual response to the AIO.

This Basis of Preparation document supports AusNet Transmission in its preparation and reporting of regulatory information to meet the annual regulatory reporting obligations to the AER under the AIO for the regulatory year 1 April 2024 to 31 March 2025 (**"RY25"**).

This Basis of Preparation accompanies the regulatory information presented in the AER submission workbooks ("**Reports**") entitled, 'AusNet Transmission – Annual Order – 2024-25 – Regulatory Templates - Confidential' and 'AusNet Transmission – Annual Order – 2024-25 – Regulatory Templates – Public'.

AusNet Transmission has prepared this Basis of Preparation in accordance with Appendix C of the AIO, whereby all required reportable categories as stipulated in Appendix C have been addressed for each table and sub-table of the AIO reports.

Some information required in the reports is managed by the Australian Energy Market Operator ("**AEMO**"). AusNet Transmission, in conjunction with the AER, has identified within the Reports the data that is maintained by AEMO and these cells have been left blank in the Reports (null response). Therefore, AusNet Transmission has not provided any details in relation to the Basis of Preparation of these variables and have explained why the null response has been provided.

All financial data included in the Reports is presented in Australian dollars. All non-financial data is stated as per the measures specified in the Reports.

The ultimate Australian parent of the Company is AusNet Services Ltd. The AusNet Services' Group owns and operates three regulated networks – an electricity distribution network, a gas distribution network, and an electricity transmission network, as well as unregulated businesses. 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.

Materiality has been applied throughout the Reports and the Basis of Preparation in line with the AER Glossary of Definitions issued on 5 April 2024. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users (including the AER) taken on the basis of the information provided. This definition is based on the definition of materiality in the AASB conceptual framework which provides context for the interpretation of this definition of materiality.

Based on the AIO instructions and other supplementary guidance received from the AER, AusNet Services must report all variables as 'Actual Information', unless it is unable to do so.

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Actual Information is information whose presentation is materially dependent on information recorded in historical accounting records or other records used in the normal course of business, and whose presentation is not contingent on judgments and assumptions for which there are valid alternatives, that could lead to a materially different presentation.

- 'Accounting records' include trial balances, the general ledger, subsidiary accounting ledgers, journal entries and documentation to support journal entries. Actual financial information may include accounting estimates, such as accruals and provisions, and any adjustments made to the accounting records to populate its regulatory accounts.

- 'Records used in the normal course of business', for the purposes of non-financial information, includes asset registers, geographical information systems, outage analysis systems, and so on.

- Information presented whose presentation is based on allocation method using judgments or assumptions, can be still reported as actual. The allocation method would be expected to be clearly documented by the Network Service Provider and approved by senior management as either a regulatory statement accounting policy or regulated statement policy, with any judgments or assumptions used in the allocation remaining consistent between reporting years. The judgments or assumptions used are to be determined in accordance with the Order, notice or other purpose governing the preparation of the information.

- Hence, indirect cost allocations reported in the AIO reports are considered actual information as the allocations are in accordance with the AER-approved CAM.

'Estimated Information' is information whose presentation is not materially dependent on information recorded in the Network Service Provider's historical accounting records or other records used in the normal course of business (refer above), and whose presentation is contingent on judgments and assumptions for which there are valid alternatives, that could lead to a materially different presentation.

Interpretation of the AER's definition of Actual and Estimated information requires Management judgment to be made as to the appropriate classification of information including:

- the extent to which the information is sourced from accounting or other records used in the normal course of business; and

- the degree of estimation involved and whether the information is materially dependent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation.

Based on the AIO instructions and other supplementary guidance received from the AER, in circumstances where AusNet Transmission is unable to provide 'Actual Information', the information is required to be estimated and an explanation included in the Basis of Preparation document as to why AusNet Transmission was unable to provide 'Actual Information', how the estimate was derived and why it is the best estimate in the circumstances. This is consistent with supplementary guidance received from the AER, in the absence of evidence that AusNet is unable to provide 'Actual Information' the AER may regard the provision of 'Estimated Information' as non-compliant with the AIO.

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Where 'Estimated Information' has been presented, the circumstances and the basis for the estimate, including the approach used, assumptions made, reasons why an estimate was required and why the estimate is AusNet Transmission's best estimate have also been set out below. Estimates will often not equal the related actual results and estimates have only been made for the purpose of disclosing the information required under the AIO. Considerations of the cost and efficiency of preparation as well as the reliability and accuracy of data available have been considered in determining the best methodology to determine the estimates.

AusNet Transmission believes that the estimated data provided in the Reports is management's best estimate and complies with the AIO Instructions. The methodologies, assumptions and judgments made by Management in respect of variables are described within the relevant sections of this Basis of Preparation.

Amounts reported as 'Audited Financial Statements' are sourced from the AusNet Transmission Group Pty Limited's trial balance for the regulatory year ended 31 March 2025 which has been prepared to assist AusNet Transmission in meeting its regulatory reporting requirements to the AER and may not be suitable for any other purpose. The trial balance meets the definition of 'audited financial statements' as described in the AIO.

AusNet Transmission is not required to submit General or Special Purpose Financial Statements as a statutory reporting requirement for the regulatory year ended 31 March 2025 under the Corporations Act. To the extent applicable, the information reported has been prepared in a manner consistent with the policies and methodologies applied in preparing the annual regulatory information. There were no changes in Accounting Policies during the Regulatory Year that had a material impact on the information presented.

The preparation methodologies and information sources adopted in the preparation of the Reports are detailed below

2.1 Expenditure Summary

Table 2.1.1 Prescribed transmission services Capex (as incurred)

Table 2.1.2 Prescribed transmission services Opex

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

The information reported was prepared using Capital Expenditure ("**Capex**") and Operating Expenditure ("**Opex**") data extracted from the SAP Financial System and from the workings of other AIO Templates. The expenditure in the Capex and Opex categorisations in Table 2.1.1 and Table 2.1.2 is mutually exclusive and collectively exhaustive.

Amounts reported for Replacement expenditure, Non-network, Vegetation Management and Maintenance relate to direct costs only and excludes overhead expenditure for these categories. Total Capex and Opex have been reported on an 'as incurred' basis. All expenditure has been presented in nominal dollars.

Amounts reported as Replacement Expenditure does not reconcile to Template 2.2 Repex as this template is reported on an as-commissioned basis. Connections Capex has been reported as nil as it does not fall within Prescribed Transmission Services ("**PTS**"). Augmentation expenditure has been left blank (null response) as the required information is captured by AEMO.

"Other" PTS opex reported in 2.1.2 are minor network operation-related project costs which represents the difference between expenditure included in the Annual Regulatory Accounts (template 8.5 Disaggregated Opex) which does not meet the definitions of data requested in the Category Analysis templates (e.g. overheads, maintenance, non-network).

Additional information:

Capex reported is the capital construction costs of operating the network and relates to PTS only.

Opex reported is the costs of operating and maintaining the network (excluding all Capex) and relates to PTS only.

Changes from previous year Basis of Preparation:

As above, AusNet have reported network operations project codes as "Other" in table 2.1.2.

2.2 Repex

Table 2.2.1 – Replacement Expenditure, Volumes and Asset Failures by Asset Category

Financial Information – Expenditure

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Financial information was sourced from the SAP Financial System.

Reports were generated in SAP showing all Capex projects in the Transmission business. Using work codes, Replacement projects were identified and using project status, projects that were 'closed' or 'technically completed' were identified – as the template reports replacement capex on an 'as-commissioned' basis. A report was then generated in SAP which provided the life to date direct costs of all completed replacement projects, and a Fixed Asset report was generated showing all assets (life to date) commissioned.

The Fixed Asset report provided the disaggregation of costs between the relevant Asset Types – Secondary, Communications, Switchgear, Transformers, Reactive, Transmission Lines, Establishment, Network Switching Centre, Easements, Land and Non-system. This information was provided to a subject matter expert ("**SME**") who reviewed the data and where necessary amended classifications or cost allocations.

It is noted that some projects were listed as closed in previous Regulatory Information Order ("**RIN**") submissions but have subsequently incurred additional post-commissioning expenditure including prior period correcting transactions and associated volumes. The additional expenditure incurred on these projects has been disclosed in Template 2.2.1.

Additional information:

Replacement Expenditure is the non-demand driven Capex to replace an asset with its modern equivalent where the asset has reached the end of its economic life. Capex has a primary driver of replacement expenditure if the factor determining the expenditure is the existing asset's inability to efficiently maintain its service performance requirement.

Asset refurbishments/ life extension Capex is the non-demand driven Capex to restore an asset to its former functionality where the asset has reached the end of its economic life. The works undertaken must result in a material extension in the expected life of the asset.

Replacement expenditure and volumes have been provided for the prescribed standardised asset categories. Capex and associated non-financial information have been reported against the Regulatory Year on a 'project close' basis. Expenditure reported relates to costs directly attributable to replacement/refurbishment of the asset and excludes expenditures on Overheads. All Capex has been presented in nominal dollars.

Changes from previous year Basis of Preparation:

None

Non-Financial Information – Asset Replacements & Asset Failures

Data reporting quality:

Both Actual and Estimated

Estimated data:

Asset replacements and Asset Failures are considered Estimated Information based on the approach outlined above. Estimated data reported is considered Management's best estimate, based on information available. However, the Replacement of the > 330 kV & < = 500 kV; Multiple Circuit Data Towers, Tower Support Structures and associated Conductors and Ground wire are considered Actual information as the data is sourced from SAP reports.

Null response:

None

Information source, methodology and assumptions:

For the Current Regulatory Year, the Asset Replacement quantity data was sourced from SAP.

Using a combination of data from the SAP Fixed Asset Register, historical or average unit rates used in the business and/or a review of business cases by SMEs, the Asset Replacement quantities were determined and assigned to the respective AER asset category.

Asset Failure data was sourced from the list of replacement projects which were completed in the Current Regulatory Year. Information sourced included Project details, notification number and cost of notification. Notifications relate to incident reports are created in the Asset Management System when a fault or system incident occurs. Each notification is connected to a specific asset in SAP. This data was reviewed and the project unit rate (total project costs divided by quantities of assets replaced) was applied to the value of the notification to derive the quantity of replacements due to failure (over the life of the project). Asset Categories for failures were aligned to the SME determined categories for Replacement Quantities.

Additional information:

Asset replacements are the replacement of a complete asset in each Asset Category except the 'Other' categories. Asset replacements reported in the 'Other' categories are replacement/refurbishment of components and replacement of assets in the Asset Group that do not fit the description of one of the defined Asset Categories.

Asset Failure is the failure of an asset to perform its intended function safely and in compliance with jurisdictional regulations, not as a result of external impacts such as:

- extreme or atypical weather events; or
- third party interference, such as traffic accidents and vandalism; or
- wildlife interference, but only where the wildlife interference directly, clearly and unambiguously influenced asset performance; or
- vegetation interference, but only where the vegetation interference directly, clearly and unambiguously influenced asset performance.

It excludes planned interruptions. Failures reported represent only those assets where failures resulted in replacement.

Changes from previous year Basis of Preparation:

None

Table 2.2.2 – Selected Asset Characteristics

Data reporting quality:

Actual (assets in commission)

Estimate (asset replacements and asset failures)

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Asset Volumes currently in Commission:

Data reported as the 'Reactive Capacity' Volumes Currently in Commission is based on the capacity by equipment report. The capacity information was sourced from SAP and mapped to the list of equipment to be reported for Current Regulatory Year. This list was further filtered to reflect the Regulatory asset volumes. Hence this is actual information.

Similarly, total conductor length by material type was sourced from the SAP equipment report. Total conductor length was then allocated to the conductor categories per the total overhead conductor length as reported in template 3.5.1.1.

Asset Replacements and Asset Failures:

The quantities to report for Asset replacements for Current Regulatory Year was sourced from table 2.2.1, which was summarised by the appropriate category. There were no asset replacements nor failures reported for conductors and substation reactive plant during the regulatory year.

Additional information:

The total volume of assets currently in commission and the replacement volumes of certain asset groups by specified aggregated metrics have been provided. MVAr refers to reactive capacity.

Changes from previous year Basis of Preparation:

Asset failures is a new requirement for table 2.2.2 under the AIO.

Other Additional Information - Repex

The following definitions have been applied in the preparation of the data:

Asset Type	Definition
Transmission towers	These are vertically oriented assets that provide load bearing structural support for conductors or other lines assets. This also includes associated transmission tower support structures, insulators, earthing, footings, where these are replaced in conjunction with a transmission tower replacement project. It excludes any assets that are included in any other asset group.

Asset Type	Definition
Transmission Tower Support Structures	These are horizontally oriented structures and their components that provide support for conductors or other line assets to be located on a transmission tower and provide adequate clearances. This expenditure relates to that which TNSPs incur when transmission tower support structures are replaced independently of the transmission tower they are located on. This includes tower section, arms, insulators, earthing. It excludes any assets that are included in any other asset group.
Conductors	These assets have the primary function of transmitting power, above ground, within the transmission network. It excludes any assets that are included in any other asset category.
Single circuit configuration	A single circuit configuration is a transmission line that has one set of conductors that are operated as a single electrical circuit. However, for the purposes of this definition, where a line has been constructed as a multi-circuit line but operates as a single circuit line, it should be included as a multi-circuit line.
Multiple circuit configuration	A multiple circuit configuration is a transmission line that includes more than one electrical circuit.
Transmission cables	These assets have the primary function of transmitting power, below ground, between segments of the network. This includes the material primarily used to transmit the power and cable ends, joints, terminations and associated hardware and equipment (e.g. surge diverters, etc.), cable tunnels, ducts, pipes, pits and pillars. It excludes any assets that are included in any other asset group.
Substation switchbays	These are all assets used to provide switching within the substation and includes disconnect switches, circuit breakers, current transformers, voltage transformers and associated busbars and steelwork. It excludes any assets that are included in any other asset group.
Circuit breaker	A switch that can open under fault current conditions to protect equipment and electrical circuits from damage.
Gas Insulated Switchgear Unit	Enclosed gas insulated switchgear that may comprise circuit breakers, disconnectors, isolators, and other gas insulated components.
Substation power transformers	These are assets used to transform between voltage levels within segments of the network. This includes all its components such as the cooling systems and tap changing equipment. It excludes any assets that are included in any other asset group. For the avoidance of doubt, this does not include instrument transformers as defined in the National Electricity Rules.
Substation reactive plant	These are assets used to support the transfer of real power across the network. This includes reactors, synchronous condensers, shunt capacitors, static VAR

Asset Type	Definition
	compensators, dynamic VAR compensators. It excludes any assets that are included in any other asset group.
SCADA and Network Control and Protection systems replacement	Replacement expenditure associated with SCADA and network control hardware, software and associated IT systems. Includes replacement of protection and control systems and communication systems. This excludes all costs associated with SCADA and Network Control Expenditure that exist within gateway devices (routers, bridges etc.) at corporate offices. A protection system has the meaning prescribed in the National Electricity Rules.
Other Station Property & Civil Infrastructure	Included in this category is the commissioned cost of the Richmond Terminal Substation property rebuild.

2.3 Augex

Table 2.3.1 — Augex asset data - Substations

Table 2.3.2 — Augex asset data - Lines

Data reporting quality:

Null

Estimated data:

Null

Null response:

The above tables have not been completed as the required network augmentation information is captured by AEMO. As per the validation rules contained within the data submission workbook, a null response is valid.

Information source, methodology and assumptions:

Null

Additional information:

Null

Changes from previous year Basis of Preparation:

Null

2.5 Connections

Table 2.5.1 Expenditure on Connection Projects

Data reporting quality:

Actual. Direct expenditures are considered actual information as it was extracted directly from the Financial System and no estimates or adjustments were required.

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

A capex report was generated in the financial system based on connection work codes. This report provided a list of all connection projects in the financial system that have incurred expenditure. For these projects, a report was generated in SAP which provided project status information. Projects with a "Closed" or "TECO" status were identified (to capture completed projects). Cancelled projects were removed ("CANC" status). In addition, projects previously reported in historical Category Analysis RINs were removed.

The remaining list of completed projects was then assessed by an SME to determine whether they met the prescribed definition of Connections projects. Once the projects were identified as per above, life to date costs associated with these projects were extracted using the SAP Analysis Tool. This provided the Direct Expenditure (excluding overheads and finance charges) for inclusion in Tab 2.5.1.

Additional information:

Connections expenditure, connection rating and connection voltage have been reported for all Transmission Terminal Stations where complex connection projects have been installed. Data provided relates to prescribed connection services (as defined in the National Electricity Rules) only and excludes negotiated connection services and contestable works. AEMO connection projects have been excluded.

Expenditure reported is nominal direct Capex and excludes expenditure on Overheads and Capitalised Finance Charges. Capex and the associated non-financial information have been reported against the Regulatory Year on a 'project close' basis - i.e. against the year in which the project was completed.

Connection rating (MVA) is the normal cyclic rating and Connection voltage (KV) is the Nominal voltage.

Changes from previous year Basis of Preparation:

RY25 template differs from previous years as it states direct expenditure on completed prescribed transmission services is to be disclosed. In previous years, only direct labour and materials were required to be disclosed in the template.

Table 2.5.2 Description of Connection Projects

Data reporting quality:

Actual. Information provided from SME and is considered actual information as no estimates were required.

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Information in relation to the Connection Voltage, Underground/Overhead and Year of Connection Project Completion was obtained from the SAP, Stations Rating Systems and the Engineering Enquiry System.

The Regulatory Year that each connection project was completed is noted in the column 'Year of Connection Project Completion'.

Information in relation to the Connections Rating where appropriate for transformer connection projects, new switchyard bays and extensions, and protection changes and upgrades on feeders and lines were obtained as follows:

1. For transformer connection projects, the MVA rating of the transformer was used.
2. For new switchyard bays and extensions, the MVA rating of the bay was used.
3. In relation to projects involving distribution business connections, any augmentations done to existing protection schemes and any feeder rearrangements, do not change the MVA ratings of the primary assets.

MVA ratings have not been applied as the projects reported do not have direct MVA rated connections, as this only applies to transmission generation and load connections which are always classified as negotiated services, not prescribed services.

Table 2.5.2 only allows each project to be designated as either an 'Overhead' or 'Underground' connection. For projects which display both characteristics and where appropriate, an analysis was performed to determine which characteristic was more predominant; and the choice to allocate each project as either an 'Overhead' or 'Underground' connection was based on this predominance.

Additional information:

None

Changes from previous year Basis of Preparation:

None

2.6 Non-network

Non-network expenditure reported relates to direct Opex and direct Capex costs only (i.e. only costs directly attributable to the prescribed expenditure categories) and excludes expenditures on Overheads. All Capex and Opex have been reported on an 'as-incurred' basis and presented in nominal dollars.

Table 2.6.1 Non-network Expenditure

IT and Communications Expenditure

Data reporting quality:

Estimated

Estimated data:

Whilst total IT Opex and Capex is Actual Information, the split of IT Opex and Capex into Recurrent and Non-Recurrent is considered Estimated Information as the current SAP design does not cater for the categorisation of transactions into the recurrent or non-recurrent categories required in the template. The categorisation is judgment based as per the Digital SME's knowledge of the nature of the projects.

Null response:

None

Information source, methodology and assumptions:

Opex:

Total IT Opex relating to PTS was from sourced from SAP. The data was analysed by a SME and the Non-recurrent operating costs identified. The Recurrent portion was calculated by deducting the non-recurrent portion from the Total PTS IT and Communications Expenditure.

Capex:

Data was obtained from the Current Annual Regulatory Accounts and the supporting working files which include a list of projects and the associated financial information (excluding overheads). A SME performed an assessment of the nature of each of the projects (recurrent expenditure, non-recurrent expenditure or client device expenditure) and based on this assessment, the expenditure was classified into the categories in Table 2.6.1. The allocations by the SME were performed at a project level (i.e., whether the project is recurring).

Additional information:

Non-network IT & Communications Expenditure which is directly attributable to IT and communications assets including replacement, installation, operation, maintenance and software licensing have been reported. All costs associated with SCADA and Network Control Expenditure that exists beyond gateway devices has been excluded. Expenditure reported has been allocated between 'Client Devices', 'Recurrent' and 'Non-recurrent Expenditure'.

Client Devices Expenditure is expenditure related to a hardware device that accesses services made available by a server. Client Devices Expenditure includes hardware involved in providing desktop computers, laptops, tablets and thin client interfaces and handheld end user computing devices including smart phones, tablets and laptops.

Recurrent expenditure is all IT & Communications Expenditure that returns time after time, excluding any expenditure reported as Client Devices Expenditure. Expenditure that would be expected to be reasonably consistent from regulatory period to regulatory period would be recurrent expenditure.

Non-recurrent expenditure is all IT & Communications Expenditure that is not Recurrent expenditure excluding any expenditure reported under Client Devices Expenditure.

Non-network IT & Communications Expenditure has been split between Capex and Opex.

Changes from previous year Basis of Preparation:

None

Motor Vehicles

Data reporting quality:

Both actual and estimated

Estimated data:

The information provided in relation to Motor Vehicle Capex is considered Actual Information.

Opex data reported for Motor Vehicle is considered Estimated Information as the opex costs are allocated a PTS share based on an allocation of regulated motor vehicle opex per PTS workcodes compared to total motor vehicle expense.

Null response:

None

Information source, methodology and assumptions:

Opex:

Total motor vehicle opex was sourced from opex booked to motor vehicle expense cost elements/general ledger in SAP. It was then allocated across the motor vehicle categories based on the count of motor vehicles recorded in the Fixed Assets Report as at regulatory year-end. This was then scaled down proportionately by vehicle type to match the PTS Opex amount which is an allocation of regulated motor vehicle opex per PTS workcodes compared to total motor vehicle expense; this is estimated information.

Capex:

Motor vehicle purchases are sourced from the Fixed Assets Records as per SAP and is therefore actual information.

Additional information:

Motor Vehicle Expenditure is all expenditure directly attributable to motor vehicles including purchase, replacement, operation and maintenance of motor vehicles assets registered for use on public roads, excluding mobile plant and equipment. It excludes expenditure on vehicles not generally moved large distances on public roads under their own power.

The following definitions have been applied to determine the categorisation of motor vehicles:

Category	Description
Car	Cars are Motor Vehicles other than those that comply with the definition of Light commercial vehicle, Heavy commercial vehicle, or Elevated Work Platform. Motor Vehicles are any motor vehicle registered for use on public roads excluding motor vehicles not generally moved large distances on public roads under their own power (e.g. tractors, forklifts, backhoes, bobcats and any other road registered mobile plant).

Heavy Commercial Vehicle (HCV)	Heavy commercial vehicles (HCVs) are Motor Vehicles that are registered for use on public roads excluding Elevated Work Platform (HCVs) that: have a gross vehicle mass greater than 4.5 tonnes: or are articulated Vehicles; or are buses with a gross vehicle mass exceeding 4.5 tonnes.
Light Commercial Vehicle (LCV)	Light commercial vehicles (LCVs) are Motor Vehicles that are registered for use on public roads excluding Elevated Work Platforms that: are rigid trucks or load carrying vans or utilities having a gross vehicle mass greater than 1.5 tonnes but not exceeding 4.5 tonnes: or have cab-chassis construction, and a gross vehicle mass greater than 1.5 tonnes but not exceeding 4.5 tonnes: or are buses with a gross vehicle mass not exceeding 4.5 tonnes.
Elevated Work Platform (EWP - HCV)	Elevated Work Platform (EWP - HCV) are HCV's that have permanently attached elevating work platforms.
Elevated Work Platform (EWP - LCV)	Elevated Work Platform (EWP - LCV) are LCV's that have permanently attached elevating work platforms.

Further, AusNet Transmission notes that there are a number of company-owned vehicles that are free-issued to an external contractor that performs network maintenance works. The Opex (running) costs associated with these motor vehicles is embedded within Contractor costs in the Maintenance template.

Changes from previous year Basis of Preparation:

Changes made to how the split of motor vehicles costs between different categories (Car, Light Commercial Vehicle, etc). Previously, we totalled the motor vehicles costs for the regulatory year then allocated based on KM's used as a percentage. This regulatory year, we used the total number of fleet vehicles by category as a %, as km's used was no longer required for AIO reporting.

Buildings and Property Expenditure

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Opex:

A summary of all operating expenditure booked to the Buildings and Property cost centres was extracted from SAP financial records. An analysis was performed of the General Ledger accounts in the Income Statement to determine whether the costs incurred were in accordance with the Buildings and Property definition prescribed by the AER. The relevant costs were summed for the Current Regulatory Year and reported in Table 2.6.1. In addition, Taxes and Charges Opex per the Regulatory Accounts was included, as this represents additional Building and Property Opex (e.g. Land Tax) per the Financial System.

Capex:

Project reports were generated from the Financial System (excluding overheads) using the relevant Buildings and Property work codes and cost codes. The reports were reviewed for any expenditure on projects which met the definition of Buildings and Property expenditure. Projects which did not meet the definition were included in 'Other Expenditure' as described below.

Additional information:

Expenditure directly attributable to non-network buildings and property assets has been reported, including the replacement, installation, operation and maintenance of non-network buildings, fittings and fixtures. It includes expenditure related to real chattels but excludes expenditure related personal chattels (e.g. furniture).

Changes from previous year Basis of Preparation:

None

Other Non-network Expenditure

Other Expenditure consists of expenditure directly attributable to the following:

- Motor Vehicles which are not reported within Motor Vehicles Expenditure as per above (e.g. trailers)
- Buildings and Property which is not reported within Buildings and Property Expenditure as per above, such as personal chattels (e.g. furniture); and
- Other general assets (e.g. tools and equipment)

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

When determining the Motor Vehicle expenditure which meets the AER prescribed definitions, 'other' motor vehicle expenditure was identified.

When determining the Buildings and Property expenditure which meets the AER prescribed definitions, 'other' building and property expenditure was identified.

Using data extracted from the Financial System for the preparation of the Annual Regulatory Accounts, Other General Assets information was calculated. All expenditure reported relates to direct costs only.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Table 2.6.2 Annual Descriptor Metrics – IT & Communications Expenditure

Devices

Client Devices are hardware devices that access services made available by a server.

Data reporting quality:

Estimated

Estimated data:

Client device information is considered Estimated Information due the approximate percentages applied to derive an estimate of the devices owned by AusNet Transmission in relation to PTS as explained below.

An estimate was required as the information is not separately captured by the business. The calculation performed is considered Management's best estimate of the required information.

Null response:

None

Information source, methodology and assumptions:

Information in relation to the number of laptops and desktop computers was obtained from ICT Desktop Support and is extracted from the Microsoft System Centre Configuration Manager ("SCCM"), Intune system, and ServiceNow. The report provided the number of devices across the AusNet Services businesses.

Information in relation to handheld devices (smartphones and tablets) was obtained from a from ICT Desktop Support and is extracted from the Intune system. The report provided the number of devices across the AusNet Services businesses and filtered to ensure that the list reflected devices acquired on or before the end of the Current Regulatory year.

The reports described above were summed to provide the total number of Client Devices across the AusNet Services businesses.

To determine the allocation of total company devices to PTS, a report showing the number of full-time employees and equivalents (by month) was generated in the HR/Payroll System. This report included information in relation to the Current Regulatory Year and provided Employee Numbers in total across all AusNet Services' businesses.

Using indirect cost allocation data, the headcount report was allocated between Prescribed Transmission Services (PTS) and Unregulated. The information from the indirect cost allocation process has been applied to all employees in a cost centre, assuming that the survey results are applicable to employees who are directly involved in projects as well as those that are not directly involved in projects. The monthly average from the indirect cost allocation data was used to derive an estimate of the Employee Numbers for the Current Regulatory Year.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Table 2.6.3 Annual Descriptor Metrics – Motor Vehicles

Number Purchased, Number Leased and Number in Fleet

Data reporting quality:

Both Actual and Estimated

Estimated data:

Number in Fleet - this is estimated information as it was derived based on the allocation method explained below. This allocation is management's best estimated based on the available information.

Null response:

None

Information source, methodology and assumptions:

The number in fleet was calculated based on an average of vehicles held by AusNet Transmission during the regulatory year. Opening balance of vehicles held was sourced from prior year RINs with additions and disposals sourced from Fixed Assets records. The average count of fleet was then scaled for the PTS share.

The PTS share was calculated based on an allocation of regulated motor vehicle opex per PTS workcodes compared to total motor vehicle expense as the workcode represents the nature of the activity (regulated work). This is the 'Proportion of Total Fleet Expenditure Allocated as Regulatory Expenditure' and is estimated information.

Number purchased is actual information as it was sourced from Fixed Assets Records.

There were no leased vehicles reportable.

Additional information:

None

Changes from previous year Basis of Preparation:

None

2.7 Vegetation Management

Vegetation management zones are segments of the transmission network distinguished from other vegetation management segments by material differences in recognised cost drivers.

An assessment of vegetation management zones has been performed taking into consideration areas where bushfire risk mitigation costs are imposed by legislation, regulation or ministerial order and areas of the network where other recognised drivers affect the costs of performing vegetation management work. The key driver of vegetation management costs across AusNet Services' businesses is the level of bushfire risk. The Transmission network vegetation management program does not separate high bush fire risk areas from low bushfire risk areas – as the vegetation management program is in accordance with the requirements of the Electrical Safety Regulations (for Transmission businesses). Based on this, one vegetation management zone has been identified within AusNet Transmission's network.

The Electrical Safety (Electric Line Clearance) Regulations impose a material cost on performing vegetation management works. The cost of compliance is consistent with the information reported in Table 2.7.2.

Table 2.7.1 - Descriptor Metrics by Zone

There are no self-imposed standards per AusNet Transmission's Vegetation Management program.

Route Line Length within Zone

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

The Route Line Length reported includes both Overhead Route Line Length and Underground Route Line Length.

Underground Route Line Length data was sourced directly from SDME.

Information in relation to Overhead Route Line Length was obtained from the SDME Asset Management System. The data extracted provided wire segment and functional location information. Using the coordinates of in-service towers, Overhead Route Line Length was determined.

Additional information:

The route line length is the aggregate length in kilometres of lines, measured as the length of each conductor span between poles and/or towers and does not include vertical components such as line sag. Each easement span is considered only once irrespective of how many circuits it contains.

Changes from previous year Basis of Preparation:

None

Number of Maintenance Spans

The 'Number of maintenance spans' is the total count of spans in the network that are subject to active vegetation management practices in the Current Regulatory Year.

Active vegetation management practices do not include inspection of vegetation maintenance segments where 'inspection' is only for the purpose of identifying trees or other vegetation that require trimming or removal and include vegetation scoping works.

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Information in relation to the total number of vegetation maintenance spans was sourced from a report generated in SAP. This report includes information such as Functional Location and Priority (P1, P30, P90, P180, P365). The 'P' represents the number of days that action needs to be undertaken for a segment e.g. A P365 segment is where vegetation maintenance is required within the next 365 days on that segment. Therefore, the report details all segments that were subject to active vegetation management practices within the selected dates. A count of all segments was used to populate 'Number of Maintenance Spans' in Table 2.7.1 'Descriptor Metrics by Zone'.

The maintenance segments reported include only segments subject to action/cutting rather than inspection or assessment only, therefore meeting the AIO requirements.

Additional information:

The 'Number of maintenance spans' is the total count of spans in the network that are subject to active vegetation management practices in the Current Regulatory Year.

Active vegetation management practices do not include inspection of vegetation maintenance segments where 'inspection' is only for the purpose of identifying trees or other vegetation that require trimming or removal and include vegetation scoping works.

Changes from previous year Basis of Preparation:

None

Total Length of Maintenance Spans

Data reporting quality:

Estimated

Estimated data:

Data provided is considered Estimated Information as Total Length of Maintenance Spans is not captured. Refer information source, methodology and assumptions below – this is considered the best estimate of the data requested.

Null response:

None

Information source, methodology and assumptions:

The Total Length of Maintenance Spans is not separately captured within AusNet Services' systems. The 'Total Length of Maintenance Spans' was calculated by dividing the total overhead line length in kilometres (derived from GIS and provided by Asset Analytics department of AusNet Services) by the total number of towers (supplied by Asset Analytics department of AusNet Services) to derive the average kilometre line length for each Transmission segment.

This average segment length is multiplied by the Number of Maintenance Spans (as above) to derive an estimate of 'Total Length of Maintenance Spans' for the relevant Regulatory Year.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Average Number of Trees per Maintenance Span

Data reporting quality:

Estimated

Estimated data:

The average was calculated based on the maintenance spans with recorded tree data from the relevant Regulatory Year. The information provided is considered an estimate as we do not have 'number of trees actioned' for every maintenance segment recorded in SAP. Based on the AIO Instructions and Definitions, this information is permitted to be 'Estimated Information' on an ongoing basis.

Null response:

None

Information source, methodology and assumptions:

Vegetation Management field staff manually record the number of trees to be actioned in each segment into an excel spreadsheet. Systems analysts calculated the average number of actioned trees per maintenance segment by dividing the total number of trees by the number of maintenance segments that have information regarding the number of trees actioned.

Additional information:

The 'average number of trees per maintenance span' includes only trees that require active vegetation management to meet its vegetation management obligations. It excludes trees that only require inspections and no other vegetation management activities required to comply with AusNet Transmission's vegetation management obligations.

Changes from previous year Basis of Preparation:

None

Length of Vegetation Corridors

Data reporting quality:

Estimated

Estimated data:

The data provided is considered Estimated Information based on the approach outlined above. This is considered Management's best estimate of the information requested and this process was determined during previous audits.

Null response:

None

Information source, methodology and assumptions:

The total length of vegetation corridors in not separately captured within SAP. It is estimated through the following process.

The report generated in SAP as described above, the total number of vegetation maintenance segments was obtained for the previous 3-year period. Duplicated segments over this period were removed to provide the final figure which is determined to be total vegetation corridors.

This total is multiplied by the average length of a maintenance segment (as derived in the calculation of 'Total Length of Maintenance Spans') to provide an estimate of the 'Length of Vegetation Corridors'.

Additional information:

A vegetation corridor is a tract of land along which vegetation is maintained to form a passageway along the route of a power line or lines that is free of vegetation encroachment into the asset clearance space. This does not include portions of the corridor where no managed vegetation exists or where vegetation is not managed.

Changes from previous year Basis of Preparation:

None

Average Width of Vegetation Corridors

Data reporting quality:

Estimated

Estimated data:

It has been assumed that the easement widths in the sample are representative of the easement widths of all segments. The data provided is considered Estimated Information as it is not separately captured. This is considered Management's best estimate of the information requested.

Null response:

None

Information source, methodology and assumptions:

The width of vegetation corridor is the total width of a vegetation corridor (the entire width of the tract of land along which vegetation is maintained). This is a static value of 59.76 metres.

The information provided has been estimated based on Transmission network data extracted from SAP. Using a sample of easement segments (where easement width information was available) the average width per easement segment was calculated to give an indicative average easement width.

Additional information:

The average width of vegetation corridors is determined by using a sample range of corridor widths and applying this across the network.

Changes from previous year Basis of Preparation:

None

Average Frequency of Cutting Cycle

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Information in relation to the average vegetation maintenance span cycles was obtained from the Vegetation Management plan and the Lines Patrol Document whereby one ground patrol and one aerial (LiDAR) patrol are conducted per annum with an aim to clear segments on a 3-year cycle.

Additional information:

The cutting cycle is the average planned number of years (including fractions of years) between which cyclic vegetation maintenance is performed within vegetation management zones. It has been assumed that cutting cycles are the same as maintenance span cycles (the planned number of years (including fractions of years) between which cyclic vegetation maintenance is performed).

Changes from previous year Basis of Preparation:

None

Table 2.7.2 – Expenditure Metrics by Zone

Table 2.7.2 has been completed based on the one vegetation management zone identified above. Expenditure provided relates to direct costs, excluding overhead expenditure.

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Data was extracted from the SAP Financial System based on the Vegetation Management work code. The information extracted included project data for the various vegetation management functions.

The 'Mandatory Works' project provided the total expenditure and based on the advice of an SME, 74% of costs are estimated to relate to Tree Trimming and 26% to Corridor Clearances.

LiDAR is an inspection cost, therefore allocated to inspection.

The 'Management Labour' project provided the expenditure on 'Inspection', 'Audit' and 'Contractor Liaison Expenditure'. The allocation of Management Labour to categories was based an analysis of the time spent by employees involved in performing these activities (as determined by a SME).

The balance of costs (i.e. the difference between the total costs included in Vegetation Management work code and the above categories) has been allocated to 'Other Vegetation Management Costs not Specified in Sheet'.

The data reported for 'Tree Trimming', 'Vegetation Corridor Clearance' and 'Other Vegetation Management costs not Specified in Sheet' is considered Actual Information as it is based on information directly extracted from SAP.

The information reported for 'Inspection', 'Audit' and 'Contractor Liaison Expenditure', although subject to SME allocation, is considered to constitute Actual Information based on materiality. The expenditure in total is from project information and is not considered material to the total Vegetation Management expenditure. Therefore, any alternative allocation approaches between the three categories would not lead to a materially different presentation.

Additional information:

Table 2.7.2 has been completed based on the one vegetation management zone identified above. Expenditure provided relates to direct costs, excluding overhead expenditure.

Changes from previous year Basis of Preparation:

None

Table 2.7.3 – Descriptor Metrics Across All Zones – Unplanned Vegetation Events

Unplanned vegetation events are system outages and fire starts caused by either vegetation grow-ins or vegetation blow-ins/fall-ins.

- Number of Fire Starts Caused by Vegetation Grow-Ins (NSP Responsibility);
- Number of Fire Starts Caused by Blow-Ins and Fall-Ins (NSP Responsibility);
- Number of Outages Caused by Vegetation Grow-Ins (NSP Responsibility); and
- Number of Outages Caused by Blow-Ins and Fall-Ins (NSP Responsibility)
- Number of Fire Starts Caused by Vegetation Grow-Ins (Other Party Responsibility);
- Number of Fire Starts Caused by Blow-Ins and Fall-Ins (Other Party Responsibility);
- Number of Outages Caused by Vegetation Grow-Ins (Other Party Responsibility); and
- Number of Outages Caused by Blow-Ins and Fall-Ins (Other Party Responsibility)

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

To obtain data for "NSP Responsibility", the information contained in the Incident Management System was reviewed. Based on this review, there have been no Fire Starts or Outages caused by vegetation grow-ins, blow-ins or fall-ins (AusNet Transmission responsibility) in the Current Regulatory Year.

AusNet Transmission is responsible for all vegetation clearing in its network, so the "Other Responsible Party" variables are not applicable and have been disclosed as zero.

Additional information:

None

Changes from previous year Basis of Preparation:

None

2.8 Maintenance

Maintenance relates to operational repairs and maintenance of the transmission system, including testing, investigation, validation and correction costs not involving capital expenditure.

Table 2.8.1 – Descriptor Metrics for Routine and Non-Routine Maintenance

Asset Quantity Inspected and Maintained

Data reporting quality:

Estimated

Estimated data:

A degree of judgment was required to allocate the data extracted which is disaggregated at the work order/assembly level into the categories required in the template. SMEs were engaged to derive these allocations. Based on this, all information provided is considered Estimated Information. This is considered Management's best estimate based on the data available, as the allocations are not captured with the SAP system.

Null response:

None

Information source, methodology and assumptions:

Financial and non-financial data was extracted from the SAP system based on project work codes. The financial component of the extract was reconciled to Maintenance Opex in the Annual Regulatory Accounts (to ensure completeness of the extract).

The data extracted provided project number, project description, work order or network order, assembly code, number of records, 'equipment' and 'functional location' details. Assembly codes represent type of asset and type of work being performed. Number of records reflects quantities of assets maintained.

Assembly codes for each maintenance work order were mapped to the prescribed Maintenance Asset Categories based on SME's mapping allocation. Where assembly codes were not available, data was classified into Asset Categories based on work order descriptions or by reviewing underlying purchase order / invoice details and assessing the nature of the work that was performed. Note there were multiple orders in the "Miscellaneous" Assembly code. This mostly comprised travel costs which were allocated on a pro rata basis to maintenance categories based on the known dollar split. The remaining "Miscellaneous" costs were approximately 10% of the total maintenance cost and was allocated pro rata between all other asset categories based on the known assigned dollar split. This is considered Management's best estimate of the data required.

For the following Maintenance Asset Categories, information provided has been calculated as the 'Asset Quantity at Year End' per the 5.2 Asset age template divided by the 'Inspection Cycle' in years and 'Asset Quantity at Year End' divided by the 'Maintenance Cycle' in years. Note the inspection cycle and maintenance cycles are determined as part of AusNet's internal maintenance policy and procedures.

- Transmission Towers
- Transmission Tower Support Structures
- Conductors
- Cables
- Substation properties
- SCADA & network control maintenance

- Protection Systems Maintenance.

For these maintenance categories, the calculation performed is more indicative of the quantity inspected and maintained than information from other sources. For conductor, this approach provides the kilometres of conductor inspected or maintained.

For the category 'SCADA & network control maintenance', control equipment assets were excluded from the calculation performed.

For substation switchbays and power transformers, the number of maintenance records per the SAP maintenance report was used to derive the asset quantity maintained and inspected as management believes that this better represents the volume of maintenance activity undertaken during the regulatory year.

Additional information:

Asset quantity information has been provided for the total number of assets (population) at the end of the Current Regulatory Year (for each asset category) and the number of assets inspected or maintained during the Current Regulatory Year (for each asset category).

Changes from previous year Basis of Preparation:

No changes in methodology. However, in prior year, asset quantity inspected/maintained was reported together per the previous RIN template requirements.

Other TNSP defined consists of substation properties as this was reported in previous category analysis RIN and the associated expenditure is reported in table 2.8.2.

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

Data reporting quality:

Estimated

Estimated data:

Financial data is considered Estimated Information. A degree of judgment was required to allocate expenditure in each maintenance workcode/assembly to the categories required in the templates. SMEs were engaged to derive these allocations. The current SAP design does not cater for maintenance transactions to have further categorisation required by the template. This is considered Management's best estimate based on the data available, as the allocations are not captured with the SAP system.

Null response:

None

Information source, methodology and assumptions:

Data was sourced from SAP based on the Maintenance work codes. The data sourced from SAP is the same information used in preparing the Asset Quantities Inspected/Maintained as explained above. As such, the same categorisations were applied to the corresponding financial information to determine the Maintenance Asset Category.

Cost information is captured based on work orders and network orders.

- Work orders include details of the underlying assembly codes. In order to assign work order costs to the relevant Maintenance Asset Subcategory, work order data was extracted from the Financial System and mapped to a relevant Maintenance Asset Subcategory and Routine vs Non-Routine classifications using the work codes and assembly codes. In some instances, additional information was needed from the work order (e.g. floc description, floc type and work code) to classify the work order into the Maintenance Asset Subcategory.

- Network orders were classified into Maintenance Asset Subcategory and Routine vs Non-Routine classifications based on the work code information.

- Non-regulated assets are tagged in the SAP system as Non-Regulated, Contract or Third Party. Reports were generated in SAP, providing a list of all non-regulated assets. Using this information, all maintenance costs associated with non-regulated assets was excluded from the data reported.

Additional information:

Maintenance expenditure has been provided for each of the prescribed maintenance categories. The financial information is reported in nominal dollars and is reported on an incurred basis.

Routine maintenance costs are costs of recurrent/programmed activities undertaken to maintain assets, performed regardless of the condition of the asset. Costs of activities are predominantly directed at discovering information on asset condition and often undertaken at intervals that can be predicted. Routine maintenance is activities to maintain asset condition and/or to maintain the capacity of the transmission system to transmit electricity, and where the activities are:

- routine in nature;
- indiscriminately carried out for a pre-defined set of assets; and
- scheduled to occur at pre-defined intervals.

Routine maintenance may include activities to inspect, survey, audit, test, repair, alter, or reconfigure assets.

Routine maintenance expenditure excludes costs of activities that are designed to increase or improve the capacity of the transmission system to transmit electricity, except where the increase or improvement is incidental to the maintenance of the transmission system. It also excludes costs associated with asset removal, asset replacement, new asset installation, vegetation management, and emergency response.

Non-routine maintenance costs are costs of activities predominantly directed at managing asset condition or rectifying defects. The timing of these activities depends on asset condition and decisions on when to maintain or replace the asset, which may vary over time. Non-routine maintenance is activities to maintain asset condition and/or to maintain the capacity of the transmission system to transmit electricity, and where the activities are not routine in nature.

Non-routine maintenance expenditure excludes activities that are designed to increase or improve the capacity of the transmission system to transmit electricity, except where the increase or improvement is incidental to the maintenance of the transmission system.

Changes from previous year Basis of Preparation:

None

2.10 Overheads

Table 2.10.1 – Network Overheads Expenditure & Table 2.10.2 – Corporate Overheads Expenditure

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Overheads information was sourced from the financial data (from SAP) used to prepare the Annual Regulatory Accounts as per template 8.5 Disaggregated Opex. Overhead expenditures are separately identifiable through a unique overhead work/system code within the financial system. Overheads were classified into Network and Corporate overheads and service classifications (PTS, Unregulated etc.) based on the nature of the division where the overheads were allocated from. For example, overheads allocated from corporate/head office functions (Finance, HR) were assigned to corporate overheads.

PTS operating expenditure was split into direct and indirect based on the method of allocation. Indirect costs were identified as all costs allocated via the Cost Allocation Methodology (CAM) which is line with the AER-approved CAM document. Direct costs were those that were directly allocated to the Transmission business company code (i.e. which did not go through the CAM process).

Note, expenditure reported in 2.6 Non-network template (IT, motor vehicles & buildings and property) has not been reported in the overheads template to avoid duplication consistent with prior regulatory years. Therefore, a reconciliation of expenditure, as stipulated in section 4.15 of the AIO, is not applicable for AusNet.

PTS capital expenditure (capitalised overheads) is indirect in nature as these overheads are allocated to network projects via the CAM.

Capitalised overheads reconcile to the general ledger and have been reported by service classification (PTS, negotiated, unregulated) based on the nature of projects as per the capex model used to derive the Annual Regulatory Accounts as per template 2.4 Historical Capex by Asset Class.

Additional information:

Overhead Expenditure reported in the 2.10 template represents operating and capital expenditure that cannot be directly attributed to a work activity, project or work order. Overhead expenditure has been reported before it is allocated to services or direct expenditure and before any part of it is capitalised.

Further, capitalised overheads associated with excluded prescribed connection projects (not PTS) have been reported under "not allocated" column of 2.10.1 to ensure completeness of overheads which reconcile to the audited financial statements.

Changes from previous year Basis of Preparation:

Given the change in the 2.10 template as required under the AIO, AusNet have disclosed capitalised overheads associated with excluded prescribed transmission services (PTS) projects in the 'not allocated' column of 2.10.1. This is so that total overheads reconcile to the audited financial trial balance. AusNet have also reported the split of PTS network and corporate overheads by direct and indirect costs.

2.12 Input tables

Data reporting quality:

Both Actual & Estimated

Estimated data:

Contract Expenditure – Labour and Contract Expenditure – Non-labour is estimated for all categories given the labour/non-labour split was estimated based on AusNet's SME's knowledge of the nature of contractor costs. Labour and non-labour breakdown of contract expenditure is not readily available in the SAP system as contractors generally charge a consolidated price for services. Hence AusNet have used the best available information based on the major contracts to estimate the split for the purposes of preparing the 2.12 Template.

Null response:

None

Information source, methodology and assumptions:

Information was obtained from the workings to the Annual Regulatory Accounts (refer Basis of Preparation for 8.5 Disagg Opex) and the workings to other Category Analysis Templates (ultimately sourced from the SAP Financial System). The split between Direct Materials, Direct Labour, Contractor Costs and Other Costs was sourced from SAP based on the costs collected within general ledger codes (cost element grouping). As such, the reported opex in the 2.12 template is considered Actual Information (except for Contract Expenditure Labour & Non-labour as explained above).

Additional information:

Information reported in Template 2.12 Input Tables relates to PTS Opex direct costs and overheads.

The summation of Direct Materials, Direct Labour, Contractor Costs (labour and non-labour) and Other Costs for each category reconcile to total PTS Opex amounts reported in each of the respective templates.

Emergency response opex does not apply to AusNet Transmission consistent with the previous RIN template, hence this has been reported as nil. Emergency maintenance (faults), however, is reported within non-routine maintenance.

Changes from previous year Basis of Preparation:

The 2.12 template only includes PTS Opex whereas prior year template included PTS Capex as well.

5.2 Asset age profile

For each prescribed asset category, the age profile for assets currently in commission has been provided. Data reported corresponds with the replacement volumes and cost data in Template 2.2 Repex. Where required, additional rows have been added to Table 5.2.1 to ensure all assets are reported and asset refurbishments are captured.

'Installed assets – quantity currently in commission by year' is the number of assets currently in commission and the year they were installed.

Table 5.2.1 – Asset Age Profile

Data reporting quality:

Both Actual and Estimated

Estimated data:

Data provided in relation to Transmission Tower Support Structures, Cables and Conductor is considered Estimated Information based on the preparation approach outlined above. Other - Station Property & Civil Infrastructure is also Estimated Information.

SCADA Network Control and Protection Systems is considered Estimated Information as where SCADA assets had no installation date in the SAP System or with an installation year prior to 1911 have been re-profiled (pro-rata allocated) into installation years of 2016-17 to 1941-40. Allocations were derived using the profile of other assets in the asset category (for the data with installation dates).

All other data provided in relation to Installed Asset Quantities is considered Actual Information as it was extracted from the SAP Asset Management System. The re-profiling of assets which have no installation date is not considered to represent Estimated Information as it accounts for less than 5% of any given Asset Category. This is not considered material.

Null response:

None

Information source, methodology and assumptions:

Information was sourced from the SAP (Asset Management System) and SDME. SDME contains Cable and Conductor records. All other information was sourced from SAP. It is noted that the Asset Management System data has been subject to data cleansing over the Regulatory Years and is subject to continuing reviews to improve data recording and reporting. The information provided is considered actual information except where outlined above in 'Estimated Data'.

AusNet Transmission Services' asset categories do not directly align with the prescribed AER asset categories. To populate Table 5.2.1, engineering judgement was applied to align assets in the required categorisations. If assets were identified that did not directly align to the asset categories prescribed by AER, the 'Other' categories were populated.

There have been no material classification changes in the data reported in the Current Regulatory Year compared to the previous Regulatory Year.

The asset quantities reported in the Transmission Tower Support Structures category is the volume of insulators (which form part of the Transmission support structure). This was required as the Asset Management System does not contain the attributes required to meet the definition of Transmission support structures. This is consistent with previous RINs.

Data reported in the Cables and Conductor categories reflects the kilometres of cables and conductor in service. The 'Other' category under Conductor relates to ground wire kilometres. As AusNet continued to improve its data capture, it estimated an additional 1,982 km of ground wire which was added to this variable

to agree to the total reported ground wire length of 7,400 km as published in a public AusNet strategy document. The additional data was validated and mapped into the appropriate categories by a SME from the Asset Management Engineering team. Equipment records and lengths for this additional data were sourced from SDME system which does not contain installation dates. As such, the prior year's asset age profile was applied to the Current Regulatory years.

Data reported in Other - Station Property & Civil Infrastructure is estimated based on engineering judgment. This includes the number of substation properties and various components of civil infrastructure (including fences, environmental systems, fire protection systems, buildings, station service supplies, access roads and switchyard services). Estimates applied are consistent with previous years and is required as the data is not separately captured in the Asset Management System.

The quantity of assets included in age profile for each year has been determined based on the month and year of installation to provide the number of assets installed by financial year.

Additional information:

None

Changes from previous year Basis of Preparation:

None

5.3 Maximum Demand at Network level

Table 5.3.1 – Raw and Weather Corrected Coincident Maximum Demand at Network Level

Data reporting quality:

Null

Estimated data:

Null

Null response:

The above table has not been completed as the required information is owned and maintained by AEMO. As per the validation rules contained within the data submission workbook, a null response is valid.

Information source, methodology and assumptions:

Null

Additional information:

Null

Changes from previous year Basis of Preparation:

Null

5.4 Maximum Demand & Utilisation – Spatial Level

Table 5.4.1 — Non-Coincident and Coincident Maximum Demand

Data reporting quality:

Null

Estimated data:

Null

Null response:

The above table has not been completed as the required information is owned and maintained by AEMO. This is in accordance with the AER's decision to exempt AusNet Transmission from providing this information (as per email correspondence issued by the AER to AusNet on 31 July 2025).

Information source, methodology and assumptions:

Null

Additional information:

Null

Changes from previous year Basis of Preparation:

Null

3.1 Revenue

3.1.2 REVENUE GROUPING BY TYPE OF CONNECTED EQUIPMENT

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Data was obtained from the Annual Transmission Customer Charges schedule, AusNet Transmission's internal Transmission Revenue Tracking Tool and information from the Financial System and allocated into the required categories based on the nature of the revenue. Revenue from AEMO, customer contributions and Easement Tax was aggregated. The prescribed excluded services are deducted from the aggregated number to obtain the 'Other Revenue' (TREV0205).

Additional information: None

Changes from previous year Basis of Preparation:

PTS Revenue from sale of assets was excluded to ensure that 3.1 Revenue by Connected Equipment aligns with PTS Total Revenue per template 9.2.1 RFS Income Statement.

3.1.3 REVENUE (penalties) ALLOWED (deducted) THROUGH INCENTIVE SCHEMES

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

EBSS - The EBSS allowance was sourced from the AER determination (Post Tax Revenue Model) and the associated nominal revenue calculated. Since the Annual Transmission Customer Charges reflect the smoothed Maximum Allowed Revenue (**MAR**) and the EBSS allowance is part of the build-up of the MAR, it is possible to allocate the EBSS allowance to revenue in each year of the regulatory period.

STPIS - Revenue attributable to the STPIS was obtained from the approved AER STPIS as per the application submitted on the 3rd February 2025. Note, this differs to 8.8 Revenue Requirements which reports the STPIS as per the application itself.

CESS - The CESS revenue allowance was sourced from the AER determination (Post Tax Revenue Model) and the associated nominal revenue calculated.

Additional information: None

Changes from previous year Basis of Preparation: None

3.2.3 Provisions

Data reporting quality:

Both Actual and Estimated

Estimated data:

Provision for Employee Entitlements

The allocation of the provision movements into capex and opex components are based on the percentage of labour costs as part of the indirect cost allocation process.

Variable	Type	Information	Assumptions for Estimated Information
TOPEX302A **to** TOPEX313A	Public	Estimated	The Opex and Capex components of the Provisions were estimated using the indirect cost allocation information. A calculation of the percentage of labour costs that were allocated to Regulated transmission Capex activities in the indirect cost allocation process against Regulated Opex activities was performed. These percentages were applied to the Provision movements to derive an estimate of the Capex and Opex splits. As the data is not separately captured in the Financial System. This is Management's best estimate based on the data available.

Null response:

None

Information source, methodology and assumptions:

Actual data:

Provision for Make Good

The provision represents the cost of remediating a leased site at the end of the lease term. Data was sourced from the SAP Financial System and the movement in the provision was 100% directly allocated to PTS based on the nature of the provision.

Variable	Type	Information	Assumptions for Estimated Information
TOPEX0301C to TOPEX0314C	Public	Actual	n/a

Other Provisions

'Other Provisions' in the Current Regulatory Year relates to amounts provided for legal matters. Data was sourced from the SAP Financial System and the movement in the provision was 100% directly allocated to PTS based on the components of the provision.

Variable	Type	Information	Assumptions for Estimated Information
TOPEX0301B to TOPEX0314B	Public	Actual	n/a

Provision for Employee Entitlements

Opening and closing balances disclosed in the templates are actual information as these amounts are sourced directly from the SAP financial system.

Variable	Type	Information	Assumptions for Estimated Information
TOPEX0301A **and** TOPEX0314A	Public	Actual	n/a

Additional information:

Provisions are recognised when AusNet Transmission has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount of the provision can be measured reliably. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the relevant reporting date, considering the risks and uncertainties surrounding the obligations. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows.

Financial information on provisions for Prescribed Transmission Services has been reported in accordance with the requirements of the CAM methodology and the Annual Regulatory Accounts that were in effect for the Current Regulatory Year. The accounting policies adopted by AusNet Transmission in relation to Provisions have not materially changed during the Current Regulatory Year in comparison with Regulatory Years previously reported.

Provisions have been separately presented based on the nature of the provision and allocated between an Operating Expenditure (Opex)component and a Capital Expenditure (Capex) component based on the classification of the underlying cost associated with the provision.

Changes from previous year Basis of Preparation:

None

3.3 RAB (Assets)

Data reporting quality:

Both Actual & Estimated

Estimated Data

Table 3.3.2: Underground and Overhead Transmission Assets – Estimated

(TRAB0201 to TRAB0207 and TRAB0301 to TRAB0307)

Data presented in relation to overhead transmission assets and underground transmission assets is considered Estimated Information. Based on the AIO Instructions and Definitions, this information is permitted to be Estimated Information on an ongoing basis.

Each line of the RAB disclosure i.e. Opening value, Inflation addition, Straight line depreciation, and Regulatory depreciation, Actual additions (recognised in RAB), Disposals and Closing value for transmission asset value is aggregated as per the table below:

Benchmarking Asset Classes	RAB Asset Classes
Overhead transmission assets (wires and towers/poles etc.)	Towers and Conductors* Polymeric insulators
Underground transmission assets (cables, ducts, etc.)	Towers and Conductors*

*To determine the split between overhead and underground assets for 2024-25, the RAB Asset Class 'Towers and Conductors' (Inflation, Straight line depreciation, Regulatory depreciation) was allocated proportionally based on their share of the 2024-25 Opening RAB values.

All additions relate to overhead transmission assets. Consistent with the prior year, Engineering assessments were used as the basis for determining the aggregation of the RAB Asset Classes into the prescribed Benchmarking Asset Classes. Straight-line depreciation reported in Table 3.3.2 is based on forecast straight-line depreciation per the AER's Final Decision 2023-2027 PTRM (expressed in real $2021-22 dollars), adjusted for actual inflation. The allocation of depreciation from RAB Asset Class to Benchmarking Asset Classes is applied according to the above mapping table.

Overhead transmission assets and underground transmission assets is considered estimated information. Refer to discussion in the preparation, source, and methodology section above. The information provided was estimated based on an assessment by a suitable subject matter expert (SME) and is considered Management's best estimate based on the information available. Based on the AIO instructions and definitions, this information is permitted to be Estimated Information on an ongoing basis.

Table 3.3.4 Asset Lives – Estimated

Estimated service life of new assets (TRAB0901 to TRAB0903)

Estimated service life consistent with the information reported in the previous Regulatory Year 3.3 Assets (RAB) Template. The data reported was reviewed by a SME and no changes were required for the Current Regulatory Year.

Estimated residual service life (TRAB1001 to TRAB1003)

Estimated residual life was calculated based on data reported in Template 5.2 Asset Age. The Asset Installation dates included in Template 5.2 Asset Age were used to calculate the Average Asset Lives in each of the Asset Categories. The 'Estimated Residual Service Life' was calculated as the difference between the 'Estimated Service Life of New Assets' and the Average Asset Lives.

The above asset lives information is permitted to be Estimated Information on an ongoing basis.

Null response:

None

Information source, methodology and assumptions

The Regulated Asset Base (RAB) values have been prepared and reported as per AusNet Services' interpretation of the AER instructions set out in Section 4 of the AIO Instructions and Definitions (**AIO I&Ds**). Consistent with the instructions outlined in the AIO I&DS, the AER Final Decision - AusNet Services Transmission determination 2022-23 to 2026-27 and specifically the published roll forward model, has been used as the basis for the RAB values as this is the latest AER Decision to incorporate 'Actual Information'.

The RAB values have been prepared and reported as per AusNet Transmission's interpretation of the AER instructions set out in Section 4 of the AIO I&Ds.

Information was sourced from the AER Final Decision AusNet Services Transmission determination 2022-23 to 2026-27, the Economic benchmarking AIO and underlying workings to the Annual Regulatory Accounts.

The Economic Benchmarking AIO establishes AusNet Services' opening RAB value as at 1 April 2023 on an 'As-commissioned' basis. Actual capex has been sourced from the 2024-25 Annual Regulatory Accounts and straight-line depreciation sourced from the AER Final Decision (2022-23 to 2026-27) Post Tax Revenue Model (**PTRM**) updated by the AER for annual cost of debt updates.

AusNet Services is required to roll forward its RAB using forecast straight-line depreciation in accordance with the AER's Final Decision[1]. Straight-line depreciation (reported in TRAB0103) is therefore based on forecast straight-line depreciation per the AER's Final Decision 2023-27 PTRM 2025-26 RoD Update (expressed in real $2021-2022 dollars), adjusted for actual inflation one year lagged Consumer Price Index.

Table 3.3.2 Asset Value Roll Forward

The disaggregated RAB values have been prepared and reported as per AusNet Transmission's interpretation of the AER instructions set out in Section 4 of the AIO I&Ds.

AusNet Transmission has recorded assets in the RAB in asset classes that allow a direct attribution into the AER's Economic Benchmarking RAB Asset classes. The exception is that there is no split in the transmission RAB between overhead and underground assets (hence is estimated – see estimated data section above). The existing disaggregated RAB consists of the following asset categories:

- Lines (Towers and Conductors)
- Transformers
- Switchgear
- Reactive
- Establishment
- Secondary
- Communications

[1] AER Final Decision, AusNet Services transmission determination 2023-27 - Attachment 2 - Regulatory asset base, April 2017, p.15.

- Land
- Easements
- Inventory
- IT
- Vehicles
- Premises
- Polymeric insulators
- Leasehold Land & Buildings - Short Term (<20 years)
- Leasehold Land & Buildings – Long Term (>20 years)
- Lease L&B 2020-21
- Lease L&B 2021-22
- Lease L&B 2022-23
- Lease L&B 2023-24
- Other (non-system)
- Buildings – Capital Works
- In House Software
- Equity Raising Costs (2008-13)

For each category above, the Opening values, Inflation addition, Straight line depreciation, Regulatory depreciation, Actual additions (recognised in RAB), Asset Disposals and Closing values were determined from the supporting RAB roll forward model to 31 March 2025.

Information was sourced from the AER Final Decision AusNet Services Transmission determination 2022-23 to 2026-27, the Economic Benchmarking AIO and underlying workings to the Capex Annual Regulatory Accounts.

Each line of the RAB information Opening value, Inflation addition, Straight line depreciation, and Regulatory depreciation, Actual additions (recognised in RAB), Disposals and Closing value for transmission asset value is aggregated as per the table below:

Benchmarking Asset Classes	RAB Asset Classes
Substations, switchyards, Transformers	Switchgear Transformers Reactive Establishment Land
Easements	Easements
Other assets with long lives (please specify)	Secondary Communications

	Premises Leasehold Land & Buildings – Long Term (>20 years) Other Buildings – Capital Works Equity Raising Costs
Other assets with short lives (please specify)	Inventory Leasehold Land & Buildings - Short Term (<20 years) Lease L&B 2020-21 Lease L&B 2021-22 Lease L&B 2022-23 Lease L&B 2023-24 IT In House Software Vehicles

3.3.2 Group 3 Adjustment

AusNet have reported nil in the 'overhead transmission assets' table as the Group 3 adjustment only applies to AusNet in the final year of the regulatory control period which is the regulatory year-ended March 2027.

3.3.4 Asset Lives – Actuals

Estimated service life of new assets

The 'Estimated standard service life' for TRAB0904 and TRAB0905 were calculated based on each asset category's share of the Closing RAB for the Current Regulatory Year, as sourced from the roll forward model.

Estimated residual service life

The 'Estimated residual service life' for TRAB1004 and TRAB1005 were calculated based on each asset category's share of the Closing RAB for the Current Regulatory Year, as sourced from the roll forward model.

Additional information:

AusNet currently capitalises its property leases under accounting standard AASB16. When an existing property lease expires and is not renewed, an adjustment is made to the Asset Disposal value in the roll forward model to reflect the 'net disposal value'. That is, the original capitalised value (which represents the present value of future lease payments) minus the present value of actual lease payments made under the lease agreement, up to the lease termination date. [redacted]

Changes from previous year Basis of Preparation:

None

3.4 Operational Data

Data reporting quality:

Null

Estimated data:

Null

Null response:

The above table has not been completed as the required information is owned and maintained by AEMO. As per the validation rules contained within the data submission workbook, a null response is valid.

Information source, methodology and assumptions:

Null

Additional information:

Null

Changes from previous year Basis of Preparation:

Null

3.5 Physical Assets

3.5.1.1 - Overhead network length of circuit at each voltage

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Information reported was sourced from the SDME application in the Asset Management System.

Additional information:

The overhead network length of circuit at each voltage level has been reported. The network length of circuit is the circuit length (measured in kilometres) of lines in service. A double circuit line counts as twice the length. Length does not consider vertical components such as sag.

Changes from previous year Basis of Preparation:

None

3.5.1.2 - Underground cable circuit length at each voltage

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Information reported was sourced from the SDME application in the Asset Management System.

Additional information:

The underground cable circuit length at each voltage level has been reported. The underground cable circuit length is the circuit length (measured in kilometres) of lines in service. Underground cable under terminal stations is excluded from the data reported.

Changes from previous year Basis of Preparation:

None

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

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Overhead lines and Underground cable information was sourced from SDME for each span of transmission circuit. Data extracted included details of the conductor voltage (Volts) and current rating (Amps).
The line length in kilometres (length) for each section of line was sourced from SDME for Overhead lines and Underground cable.

The weighted average was calculated based on the following methodology:

$$\frac{\text{Line 1: (length * Volts * Amps) + Line 2: (length * Volts * Amps) + Line 3: (length * Volts * Amps) etc.}}{\text{(Line 1 length + Line 2 length + Line 3 length etc.) *1,000,000}}$$

For three phase lines each group in the numerator has also been multiplied by √3.

Eleven of AusNet Services' 500 kV and 330 kV overhead transmission lines are limited by voltage and stability constraints. The loadability of these eleven 500 kV and 330 kV transmission lines has been calculated by using an industry recognised methodology that uses the "St. Clair Curve". This methodology recognises that transmission lines that are longer than 80 km are generally limited by voltage and stability constraints rather than thermal ratings. This methodology has been agreed with AEMO and uses the following assumptions to calculate transmission line loadability based on the respective transmission line's Surge Impedance Loading (SIL):

- The loadability of transmission lines that are between 80 km and 150 km has been calculated as 2.5 times the SIL
- The loadability of transmission lines that are between 150 km and 230 km has been calculated as 2.0 times the SIL
- The loadability of transmission lines that are between 230 km and 300 km has been calculated as 1.5 times the SIL.

Loadability, instead of summer MVA thermal rating (√3*Volts*Amps), is used in the numerator of the above formula for these twelve transmission lines.

In the calculation of 66kv capacity, two lines at Templestowe Terminal Station are owned by AusNet and operated by another utility company. As such, 760-amp rating was used.

The actual information provided is materially dependent on information used in the normal course of business and is not contingent on judgments and assumptions for which there are valid alternatives which could lead to materially different information being reported.

The carrying capacities included in the above weighted average calculation assume all assets have summer peaking Maximum Demands, which is a reasonable assumption given summer capacity is lower as the network is more constrained during this period compared to winter.

Capacity voltage drop considerations have been considered. There are eleven 500 kV and 330 kV overhead transmission lines that cannot be operated up to their thermal ratings due to voltage and stability constraints on the transmission system. Approximate line loadability ratings have been calculated for these twelve overhead transmission lines. The methodology that has been used to calculate the capacity of the twelve 500 kV and 330 kV transmission lines that are limited by voltage or stability constraints has been agreed with AEMO and is an industry recognized methodology to estimate the loadability of longer transmission lines.

Additional information:

Weighted average capacities have been reported for both the overhead and underground network for each of the listed voltage classes. The data provided is based on weighted average carrying capacities under normal circumstances taking account of limits imposed by thermal ratings and voltage drop or voltage stability considerations for the longer high voltage (330 kV and 500 kV) transmission lines.

Changes from previous year Basis of Preparation:

None

3.5.1.5 - Installed transmission system transformer capacity

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Data for both in-service and disposed-of transformers was calculated based on prior year information used in the AIO (from SDME) adjusted for transformer movements in the Current Regulatory Year.

Movements (if any) in the Current Regulatory Year were determined based on a combination of data extracted from the SAP systems using the AusNet Services Information Management platform and the knowledge of an SME. It is noted that this data has been subject to cleansing, continuing reviews and updating over the Regulatory Years.

Additional information:

Transformer capacity involved in the prescribed transformation levels has been reported. The transformer capacities reported in Table 3.5.1.5 are inclusive of Cold Spare Capacity which has been separately disclosed in Table 3.5.1.6. Data presented relates to assets providing Prescribed Transmission Services. Hot spares have been considered as in-service units and are energised only and can be placed on load with the closing of an existing circuit breaker without any station physical reconfiguration.

For each category, the summation of normal assigned maximum continuous rating is reported (including forced cooling or other capacity improving factors where relevant). Assigned ratings have been determined by the nameplate rating. Only regulated transformers (included in the Regulatory Asset Base) have been reported. Step-up transformers at generation connection locations have been excluded. Oil filled reactors and station service transformers which provide auxiliary AC and DC for secondary systems in terminal stations were also excluded.

Changes from previous year Basis of Preparation:

None

3.6 Quality of Services

3.6.1 - SERVICE COMPONENT

Service Parameter 1 – Average Circuit Outage Rate

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

The service component information was prepared in accordance with Internal Procedure document titled "Extracting STPIS-SC Impact from SAP for RIN Reporting". Unplanned outages on Assets and the corresponding outage data are recorded in the Asset Management System and periodically included in internal reports and AER submissions. The reports from the Asset Management System were reviewed and amended to align with requested information (e.g. unregulated asset information excluded). The data reported aligns with the AER's decision on 2020 STPIS performance as confirmed in email correspondence received from the AER during April 2021.

The reported 'Number of lines fault outages' (TQS0102) and 'Number of defined lines' (TQS0103) was used to calculate the 'Lines outage rate – fault' (lines event rate – fault) percentage (TQS0101).

The reported 'Number of Transformer fault outages' (TQS0105) and 'Number of defined Transformers' (TQS0106) was used to calculate the 'Transformers outage rate - fault' (transformer event rate – fault) percentage (TQS0104).

The reported 'Number of Reactive plant fault outages' (TQS0108) and 'Number of defined reactive plant' (TQS0109) was used to calculate 'Reactive plant outage rate - fault' (reactive plant event rate – fault) percentage (TQS0107).

The reported 'Number of defined lines' (TQS0103) and 'Number of Lines forced outages' (TQS0111) was used to calculate the 'Lines outage rate – forced outage' (lines event rate – forced) (TQS0110).

The reported 'Number of defined Transformers' (TQS0106) and 'Number of Transformers forced outages' (TQS0113) was used to calculate the 'transformer outage rate – forced outage' (transformer event rate – forced) (TQS0112).

The reported 'Number of defined reactive plant' (TQS0109) and 'Number of reactive plant forced outages' (TQS0115) was used to calculate 'Reactive plant outage rate – forced outage' (reactive plant event rate – forced) (TQS0114).

Data presented relates to assets providing Prescribed Transmission Services. The supplied number of faults and forced outage values are after removing exclusions.

Additional information:

'Outage' means 'loss of connection' rather than loss of supply by a connected system or customer. To allow summation into an overall Average Circuit outage rate, both numerator (number of events with defined circuits unavailable per annum) and denominator (total number of defined circuits) have been provided as well as the calculated percentage rate for each item.

The parameter variables TQS0101 to TQS02 have been provided based on a calendar year (from 1 January 2024 to 31 December 2024) as STPIS performance reporting is undertaken on a calendar year basis.

Changes from previous year Basis of Preparation:

None

Service Parameter 2 – Loss Of Supply Event Frequency

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

The service component information was prepared in accordance with Internal Procedure document titled "Extracting STPIS-SC Impact from SAP for RIN Reporting". The required parameters were obtained from the AER TNSP STPIS. Information reported was based on data reported in the annual AER 2020 Transmission Service Standard Compliance Report which was ultimately sourced from the Asset Management System.

Additional information:

The loss of supply event frequency thresholds of 0.05 and 0.30 system minutes per annum have been applied based on the AER Transmission Network Service Provider (TNSP) STPIS. The data reported aligns with the AER's decision on 2020 STPIS performance as confirmed in email correspondence received from the AER during April 2021.

Changes from previous year Basis of Preparation:

None

Service Parameter 3 – Average Outage Duration

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

The service component information was prepared in accordance with Internal Procedure document titled "Extracting STPIS-SC Impact from SAP for RIN Reporting". Average Outage Duration was derived by performing a simple average calculation of the total number of minutes for outages divided by the number of outages which caused loss of supply. The data reported aligns with the AER's decision on 2020 STPIS performance as confirmed in email correspondence from the AER during April 2021.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Service Parameter 4 – Proper Operation of Equipment – Number of Failure Events

Data reporting quality:

Estimated

Estimated data:

The number of material failures of SCADA system (TQS0120) is considered Estimated Information as it is based on data provided by AEMO and is not materially dependent on information recorded in AusNet Services' records used in the normal course of business.

In relation to 'Incorrect operational isolation of primary or secondary equipment' (TQS0121), Incorrect operational isolation is defined in the AER TNSP STPIS as incidents "irrespective of whether an outage occurred". AusNet Services does not capture incidents where no outage results. Based on this, the number of incidents of Incorrect operational isolation of primary or secondary equipment which resulted in an outage has been used as a proxy for the data requested. Therefore, the information provided is considered Estimated Information, which is Management's best estimate.

Null response:

None

Information source, methodology and assumptions:

The service component information was prepared in accordance with Internal Procedure document titled "Extracting STPIS-SC Impact from SAP for RIN Reporting". 'Failure of protection system' (TQS0119) and 'Incorrect operational isolation of primary or secondary equipment' (TQS0121): Information on system incidents was extracted from the Asset Management System. A detailed analysis was performed of this information and based on this review, the relevant data requested was captured and summed.

'Material failure of Supervisory Control and Data Acquisition (SCADA) system (TQS0120): Information in relation to material SCADA failures was obtained directly from AEMO.

Additional information:

None

Changes from previous year Basis of Preparation:

None

3.6.2 - MARKET IMPACT COMPONENT

Refer to Basis of Preparation 7.9 MIC as template 3.6.2 reports the total planned and unplanned outages (without exclusions) as per template 7.9

3.6.3 - SYSTEM LOSSES

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

System losses (TQS03) were calculated as the difference between electricity inflows and outflows as a percentage of electricity inflows.

Electricity inflows are the total electricity inflow into the 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 are 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.

Data metering systems collect and process energy metering data for all terminal stations. At each terminal station, the total cumulative received energy (inflows) and transferred energy (outflows) in Watt hour (Wh) associated with connections are collected and recorded in Data Metering Systems.

Using this information, the system loss percentage was calculated for the Financial Year (required by the AER template) by calculating the difference between inflows and outflows for the months April 2024 to March 2025 and dividing by the total inflows for this same period.

Information captured and reported relates to both the Regulated and Unregulated Network. The methodology used to calculate the losses associated with the supply of electricity through AusNet Services' electricity transmission network is outlined in SOP35-20 Transmission Network Energy Loss.

Additional information:

None

Changes from previous year Basis of Preparation:

In prior year, system losses were reported on a calendar year basis as required under the previous RIN, however this year, AusNet have reported system losses for the financial year as required under the AIO template.

3.6.4 Energy not supplied

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Energy Not Supplied was derived by performing a calculation of summating the energy not supplied in each outage which caused loss of supply. Energy not supplied during a single event is calculated using the following equation and the unit of measure is MWh. This is for the financial year April 2024 to March 2025.

Energy Not Supplied per event = Customer MW Lost x Customer MW Lost Minutes / 60

Information reported was sourced from the Asset Management System.

Additional information: None

Changes from previous year Basis of Preparation: Not applicable - provision of this value is a new requirement.

3.7 Operating Environment

3.7.1 - TERRAIN FACTORS

Average number of defects per vegetation maintenance span

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Information to calculate the average number of defects per vegetation maintenance segment was extracted from SAP. The total number of defects was calculated as the number of Priority P1 and P30 Cut segments as per the Report extracted from SAP. To calculate the average number of defects, the total number of defects was divided by the number of vegetation maintenance segments (i.e. spans).

Additional information:

Defects are defined as any recorded incidence of non-compliance with vegetation clearance standards. Defects on a vegetation segment are recorded as one, regardless of the number of defects on the segment.

Changes from previous year Basis of Preparation:

None

Tropical proportion

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

There are no Tropical Spans in AusNet Transmission's Maintenance Spans.

Additional information:

Tropical spans are the approximate total number of urban and rural Maintenance Spans in the Hot Humid Summer and Warm Humid Summer regions as defined by the Australian Bureau of Meteorology Australian Climatic Zones map (based on temperature and humidity).

Changes from previous year Basis of Preparation:

None

Standard Vehicle Access

Data reporting quality:

Estimated

Estimated data:

Data provided is considered Estimated Information as the information required was not separately captured by the existing systems. The estimation process as described is considered Management's best estimate of the data required based on the information available.

Null response:

None

Information source, methodology and assumptions:

Segments, other than those which were actioned by non-standard and no vehicle access, have standard vehicle access.

Vegetation Management field staff manually record the type of vehicle access for each segment into an excel spreadsheet. To provide the percentage of segments which were actioned by Standard Vehicle's during the Regulatory Year, systems analysts calculate the percentage of Standard Vehicle Access based on the total number of segments that we have vehicle access information for.

The percentage split is applied to the Transmission overhead route line length to provide the value of standard vehicle access in kilometres.

Additional information:

Standard vehicle access refers to areas which are serviced through made roads, gravel roads and open paddocks (including gated and fenced paddocks). This relates to segments that can be accessed by a vehicle.

Changes from previous year Basis of Preparation:

None

Altitude

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Altitude is the route line length 600 meters above sea level and remains consistent year on year.

Information in relation to altitude was obtained by reviewing profile drawings and PLS-Cadd line terrain models to identify levels for tower bases at the start and end of route sections above 600 meters above sea level.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Bushfire Risk

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

A report is generated from SAP which shows the fire zone for each maintenance segment. The number of HBRA spans were counted to provide the total maintenance spans in HBRA.

Additional information:

Bushfire risk is the number of Maintenance Spans in high bushfire risk areas.

Changes from previous year Basis of Preparation:

None

3.7.2 NETWORK CHARACTERISTICS

Variability of Dispatch & Concentrated load distance

Data reporting quality:

Not applicable as nil reported

Estimated data:

None

Null response:

Consistent with prior years, these variables have not been reported by AusNet Transmission

Information source, methodology and assumptions:

None

Additional information:

None

Changes from previous year Basis of Preparation:

None

Annual Information Order | Basis of Preparation

1 April 2024 to 31 March 2025

Total number of spans

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

The Route Line Length reported includes both Overhead Route Line Length and Underground Route Line Length.

Underground Route Line Length data was sourced directly from SDME.

Information in relation to Overhead Route Line Length and Total Number of Spans was obtained from the SDME Asset Management System. The data extracted provided wire segment and functional location information. Using the coordinates of in-service towers, Overhead Route Line Length was determined. Based on this data, the number of spans was calculated.

Additional information:

None

Changes from previous year Basis of Preparation:

None

2.4 Historical Capex by Asset Class

Data reporting quality:

Both Actual & Estimated

Estimated data:

Estimated data is provided in the following tables due to SME judgement involved in allocated as incurred capex projects into the asset class categories for the purposes of populating the AIO template. Given engineering judgement involved which is not directly sourced from SAP/system records, this data is deemed to be estimate but is considered management's best estimate based on the information available.

- 2.4.1 Movements in provisions allocated to as commissioned capex
- 2.4.2 Capex as incurred
- 2.4.2 Movements in provisions allocated to as incurred capex

Null response:

None

Information source, methodology and assumptions:

Capital Expenditure (**Capex**) includes all costs that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management. In accordance with the AER approved CAM, AusNet Transmission capitalises overhead expenditure that is directly attributable to bringing an asset to its intended in-service state.

For **Capex as incurred**, Capex data was extracted from SAP by work code and project and populated into an excel-based capex model. The data extracted included details of direct costs, overheads and capitalised finance charges. Projects were classified into Asset Classifications based on work codes and nature of project with relevant SME review.

For **Capex as Commissioned**, Capex data was obtained directly from the Accounting Fixed Asset Register, from which spend is already categorised by asset class type.

'Actual' capex costs reported are direct costs including any related party margins if applicable, as well as overheads. Capital Finance Charges (CFCs) have been excluded.

In relation to **Provisions**, a provision movement schedule was prepared for each provision based on information extracted from SAP. The Capex component of the year-on-year movement was allocated (backed out) into applicable categories using the percentage split of total capital expenditure by the respective category. As per instructions from AER, impact of increase/(Decrease) in provisions should not be reflected in Capex additions reported per the AIO (backed out). In relation to Inventory (Non-Current), the year-on-year movement as reconciled to the audited trial balance has been apportioned across relevant categories. These adjustments to actual capex are consistent with AER guidance and prior year methodology.

For **immediate expensing of capex** AusNet Transmission Group's Income Tax Assessment values are included as part of the AusNet Group income tax return that is lodged to the Australian Taxation Office which includes immediately deductible capital expenditure, that is based on the AusNet Group's statutory year, being 1 January to 31 December. The fixed assets that are immediately deducted for tax on an as-incurred basis were sourced from the Corporate fixed asset register, which records overheads and financing charges. AusNet Transmission changed its policy to claiming the immediate expensing of capex to an 'incurred' basis from 2020. Historically this was based on when assets were commissioned. Given the AIO template requires

immediate expensing of capex as commissioned, there are no overhead and financing charges to report on this basis.

Immediate expensing that is immediately deductible for tax purposes on an as-commissioned basis includes those that meet the following criteria:

- Damage to Towers due to weather event or other [redacted]
- Relocation of Towers as requested by Government

Disposals are defined as the gross proceeds from the sale of assets, including the retirement of Property Leases. To determine 'Actual' values, a transaction listing was generated in SAP of the General Ledger account for asset sales and retirements. This was reviewed and the relevant disposals were identified and classified [redacted]

NCIPAP projects were identified based on the specific workcode assigned to capex projects and as approved by the AER per the 2022-2027 TRR.

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable. No Basis of Preparation document was prepared in previous years under the previous Annual Transmission RIN requirements.

8.5 DISAGG Opex

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Opex is the cost of operating and maintaining the transmission network (excluding all capital costs and capital construction costs).

AusNet Transmission allocates costs directly to projects, assets and services where possible and appropriate.

Table 8.5.1

Directly attributable opex

Opex data was extracted from SAP by workcode and project and classified into Opex Categories, including Prescribed Transmission Services (PTS), Negotiated and Non-regulated services, based on workcode and project classifications.

Allocated opex

Where costs are not directly project costed (as explained above), an indirect cost allocation methodology process is used to allocate indirect costs across projects, assets and services. These costs represent network and corporate overheads. This allocation process is in accordance with the AER-approved CAM dated September 2019.

Audited Financial Statements

The 'Audited Financial Statements' was sourced from the Audited Trial Balance of AusNet Transmission which is in accordance with the AIO definition. The information reported in each category of the 'Audited Financial Statements' column represents the sum of PTS, Negotiated and Non-regulated services and agrees in total with the opex reported in the Audited Trial Balance.

Table 8.5.2

There are no regulatory adjustments to report as the PTS opex was sourced from SAP as explained above.

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable. No Basis of Preparation document was prepared in previous years under the previous Annual Transmission RIN requirements.

9.1 DISAGG Income Statement

Data reporting quality:

Actual & Estimated

Estimated data:

Opex: Debt raising expenditure

The weighting process applied to Finance Charges results in the information being considered Estimated Information as the data is not based on system generated information, for which there is not an alternative approach that provides a materially different position. The AusNet Services Group has a common funding vehicle utilised for all entities within the Group and as such funding requirements are managed at the group level. As funding is not deemed to be associated with any specific entity, AusNet Transmission has allocated debt raising costs using RAB weightings of the entities within the Group.

Null response:

None

Information source, methodology and assumptions:

Revenue

Revenue balances were extracted from the audited trial balance with the individual general ledger accounts allocated to the service classifications based on the nature of the revenue which considered customer information and workcode/project descriptions.

[redacted]

The total of PTS network charges reconciles to the adjusted Allowed Revenue reported in template 8.8 (refer Basis of Preparation below).

Opex

Opex is actual information and is sourced directly from template 8.5 DISAGG Opex as explained above.

Depreciation is actual information as it is sourced from SAP and allocated across PTS, Negotiated and Non-regulated services based on the relevant regulatory classifications assigned to assets within AusNet's Fixed Assets Register.

Loss on disposal of fixed assets is actual information as it sourced from SAP and AusNet's Fixed Assets Reports.

Additional information:

The accounting terms used in this template have the same meaning as is used for the preparation of the AusNet Transmission Group Pty Limited's Trial Balance. The service classifications have the same meaning as those used in the Transmission Determination.

Changes from previous year Basis of Preparation:

Not applicable. No Basis of Preparation document was prepared in previous years under the previous Annual Transmission RIN requirements.

Note, AusNet have reported debt raising expenditure in the AIO template given this is a new requirement.

9.2 RFS Income Statement

Data reporting quality:

Actual & Estimated

Estimated data:

Depreciation

A regulatory adjustment was made for depreciation to reflect regulatory depreciation as per the 3.3 RAB template instead of the statutory (PTS) depreciation as reported in template 9.2 RFS Inc. This is estimated information as regulatory depreciation is forecast depreciation. Refer to Basis of Preparation for template 3.3 Assets (RAB) for further information.

Null response:

None

Information source, methodology and assumptions:

Total revenue (before interest and tax), Other Revenue (Transmission) and Total expenditure (before interest and tax) was sourced directly from template 9.2 RFS Inc – refer above.

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable. No Basis of Preparation document was prepared in previous years under the previous Annual Transmission RIN requirements.

7.6 PTS Price Reduction

Data reporting quality:

None

Estimated data:

None

Null response:

This template is reported as nil as price reduction and recoveries do not apply to as AusNet Transmission only bill customers for prescribed entry and exit charges.

Information source, methodology and assumptions:

None

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable. No Basis of Preparation document was prepared in previous years under the previous Annual Transmission RIN requirements.

7.7 Related Party Transactions

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

AusNet generated the SAP listing for intercompany Profit and Loss (P&L) and Balance Sheet (BS) accounts and ensured the reports reconciled to the Audited Trial Balance. We have reviewed Intercompany P&L and BS accounts to identify reportable transactions and mapped the P&L transactions to tab 7.7. Additionally, we have obtained a list of Capital Commitments from the Statutory team and identified no further intercompany transactions.

Note that interest expense/financing charges are reported at a consolidated level rather than being allocated across the service classifications. This is consistent with prior year as intercompany interest expense is charged in its entirety to AusNet Transmission Group Pty Ltd as per the audited trial balance.

Additional information:

None

Changes from previous year Basis of Preparation:

None

7.9 Market Impact Component

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Data reported was sourced from AEMO's Markets Management System using software packages (e.g. Ez2View provided by Global Roam). The cause of each constraint was manually allocated including outages caused by AusNet Services. Exclusions are claimed by AusNet Services and granted by the AER through interpretations of the STPIS.

The MIC data reported is in line with the AER-approved CY2024 STPIS outcome as confirmed by the AER on 20 June 2025.

Additional information:

Quality of services is reported in accordance with the definitions specified in the October 2015 TNSP STPIS (version 5 - corrected) document per the AER AIO Instructions and Definitions and validated by the AER's template spreadsheet. The decisions made regarding the application of MIC for AusNet's TRR have also been applied as defined in the Final Decision and communicated in the AER STPIS guidance note of April 2023. The MIC parameter significantly varies year on year. Performance is usually directly related to the location of asset replacement, non-contestable or network capability component (NCC) projects.

Changes from previous year Basis of Preparation:

None

7.5 Large Projects

7.5.1 - LARGE PROJECT OPERATING EXPENDITURE

Data reporting quality:

Actual

Estimated data:

None

Null response:

AusNet Transmission do not have any reportable large operating expenditure (opex) projects which meet the AER definition as noted below. The nature of opex projects is largely related to operating and maintenance programs, hence are recurring costs which are not assigned to a specific project nor have a specific project life and value and hence do not meet below definition.

Information source, methodology and assumptions:

Not applicable given null response

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable as this is a new reporting requirement

7.5.2 - LARGE PROJECT CAPITAL EXPENDITURE

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Large capital projects were identified from AusNet's Capex 'Workday' financial report sourced from SAP which lists all of AusNet's capital projects which are both in progress and in the pipeline as at 31 March 2025. The report includes estimated spend at completion of all capital projects which was used to identify Transmission PTS projects with project lifetime spend greater than $30million, as per the AER definition. Project lifetime spend of projects is based on approved Business Cases which are required for capital projects per internal governance requirements.

Direct capex (excluding overheads) incurred during the regulatory year was sourced from the Capex model which is the source of the 2.4 Historical Capex template - refer 2.4 Historical Capex Basis of Preparation above.

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Additional information:

As per AER's definition, a large project is any project that has commenced, where the expected expenditure on the project exceeds a threshold value. The expected expenditure threshold values for TNSPs are a project with expected total expenditure over the life of the project that exceeds 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.

Note, the threshold was determined to be $30m which is the greater of $29m being 5% of the MAR ($570.7m) of the first year (RY23) of the 2023-27 AusNet Transmission Regulatory Control Period.

Changes from previous year Basis of Preparation:

Not applicable as this is a new reporting requirement

8.6 Indicative Asset Base Roll Forward

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Inflation addition, forecast straight line depreciation, nominal escalation and half year WACC adjustment are all sourced from the annual Return on Debt (RoD) Updated PTRM issued by the AER.

Gross capex and disposals are sourced from the AusNet capex model using data sourced from SAP (Enterprise Financial and Asset Management System).

Opening Values are sourced from the Final Decision PTRM (As Incurred RAB and As Commission TAB) and RFM (As Commissioned RAB).

Movements are sourced from the regulatory accounts RFM. The inflation addition is consistent with the inflation requirement as per the annual revenue adjustment process set out in the final determination.

The forecast straight-line depreciation is based on the forecast real straight-line depreciation determined in the annual RoD updated PTRM but converted to nominal terms.

Gross capex and disposals are consistent with expenditures reported in the income statements for prescribed transmission services - Regulatory Accounts. The capex timing adjustment is consistent with the 'half year WACC adjustment' described in the RFM, using the WACC value determined in the latest Return on debt annual update PTRM published by the AER.

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable as this is a new reporting requirement

8.7 Profitability Tax Data

8.7.1 - PROFITABILITY TAX DATA

OWNERSHIP STRUCTURE

For the Regulatory Year, the ownership structure is reported as 'Private Sector Entity which is taxed as a company'. A 'Private Sector Entity which is taxed as a company' is defined as an entity or group of entities which is collectively subject to the Federal Income Tax Regime and taxed as a company (including tax consolidated groups).

The remaining sections have reported as Null as this is not applicable as the ownership structure is not a flow through entity.

TAX RELATED INFORMATION

Tax asset base depreciation

Data reporting quality:

Estimated

Estimated data:

The tax depreciation value sourced from the Final Decision PTRM (adjusted for actual CPI) is an estimate.

Null response:

None

Information source, methodology and assumptions:

Tax Asset Base (TAB) depreciation reported for the period 1 April 2024 to 31 March 2025 was sourced from the 2023-27 final decision PTRM (2025-26 RoD update), updated for actual CPI - 1 year lagged.

Per the AER's instructions, the tax depreciation value must be sourced from the final decision PTRM for AusNet Services. Therefore, information provided for RY2025 is an estimate.

Data reported includes the immediate expensing of capex.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Tax Rate

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

The tax rate reported is based on the ownership structure discussed above

Additional information:

None

Changes from previous year Basis of Preparation:

None

Taxable income adjustments – Tax loss carried forward

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

AusNet Transmission Group Pty Ltd is part of a tax consolidated group, following the acquisition of the AusNet Group by Australian Energy Holdings No.4 Pty Ltd on 16 February 2022.

Tax losses carried forward for AusNet Transmission Group Pty Ltd are reported if:

- AusNet Transmission Group Pty Ltd has a calculated tax loss on a standalone basis; and
- The tax consolidated group as a reported tax loss

[redacted]

Additional information:

None

Changes from previous year Basis of Preparation:

None

Taxable income adjustments – adjustment to tax expense for value of gifted assets

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

There are no reportable PTS gifted assets tax adjustments.

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable as this is a new reporting requirement

Taxable income adjustments – permanent differences due to disallowed interest expense

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

AusNet Transmission Group did incur a share of shareholder loan interest due to acquisition-related debt; this transaction created a permanent difference as it is disallowed for tax purposes. AusNet Transmission Group did not report this amount in accordance with previous AER feedback that acquisition-related transactions should be excluded from this AIO.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Taxable income adjustments – permanent differences due to adjustments to prior year returns

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

AusNet Transmission Group does not have any material adjustments to prior year returns.

Additional information:

None

Changes from previous year Basis of Preparation:

None

INTEREST EXPENSE

Interest-bearing liabilities

Data reporting quality:

Estimated

Estimated data:

The data is estimated as it uses the below allocation methodology derived the interest-bearing liabilities for the transmission network business. It is assumed that for the purposes of service classification allocation, all allocations to the Transmission RAB noted above relate to prescribed transmission assets only. All large excluded prescribed and negotiated projects have separate swaps taken out for hedging purposes and fall under the 'unregulated' category described above. It is assumed that any small excluded prescribed services and negotiated services projects would not have a material impact on allocations. This methodology represents management's best estimate of the information required.

Null response:

None

Information source, methodology and assumptions:

Data reported reflects the liabilities held at the beginning and end of the regulatory year to fund the operation of, and investment into prescribed transmission services.

Data was sourced from the treasury system, Quantum.

The majority of AusNet Services' interest-bearing liabilities are swapped to AUD floating rate debt and then floating-to-fixed interest rate swaps are entered into to align fixed rates of each regulated network in accordance with the Trailing Average Portfolio Approach methodology adopted by the AER (referred to as the 'macro portfolio').

In addition to the macro portfolio, there exists:

- Certain fixed rate debt that is unhedged but aligns to regulatory trailing average periods ('natural hedges').
- A residual portion of the AUD floating pool of debt (<10% in line with the treasury risk policy) is left unhedged.
- Floating rate working capital facilities that are unhedged.

The macro portfolio can be mapped into AusNet Services' three regulated networks, as specific interest rate swaps are taken out to cover the various stages of each regulatory reset period. This is performed as follows:

- A certain proportion of our total net debt portfolio is notionally allocated to each network such that this allocation represents ~60% of the networks' RAB values (on the basis that our RAB assets are approximately 60% debt funded).
- Interest rate swaps are taken out on the notional value of this debt for each network to match the cost of debt assumed by the regulator, with a maturity profile such that approximately 10% of swaps mature each year and thus 10% of the cost of debt can be aligned to the trailing average method. In some cases, the total notional value of interest rate swaps will be reduced where unhedged fixed rate debt in a 'natural hedge' is used.

Interest rate swaps are also taken out for unregulated assets on the same basis. However, these typically span the entire contract term and are fixed to the cost of debt assumed in the pricing of the contract. In addition, the notional value of these swaps will depend on the level of gearing in the pricing of the contract.

The remaining debt was allocated to the transmission network on a weighted-average basis using RAB and unregulated asset splits.

This calculation is carried out in the 'weighted average cost of debt' workbook used to allocate AusNet Services' interest expense for each month of the reporting period.

Additional information:

None

Changes from previous year Basis of Preparation:

None

Related Party Interest Expense

Data reporting quality:

Estimated

Estimated data:

Refer below Interest expense section for allocation methodology

Null response:

None

Information source, methodology and assumptions:

Data was sourced from Quantum. A calculation was performed to determine the component of interest expense that related to prescribed transmission services. Refer to Interest Expense below for further discussion of the calculation methodology applied.

Additional information:

Data reported reflects interest expense paid to a related party of AusNet Transmission Group. All interest paid in relation to interest-bearing liabilities of AusNet Transmission Group is related party interest as the debt (and swaps) are held by a central funding vehicle (AusNet Services Holdings Pty Ltd), which makes all payments on behalf of AusNet Transmission Group.

Changes from previous year Basis of Preparation:

None

Interest expense

Data reporting quality:

Estimated

Estimated data:

Assumptions were applied in the allocation of debt to service classifications. Based on this, the corresponding Interest Expense data is considered estimated information. Refer also to the 'interest bearing liabilities' section above for further discussion on assumptions in relation to service classifications.

Null response:

None

Information source, methodology and assumptions:

Data was sourced from Quantum. Total net interest expense is allocated to AusNet Services' three regulated networks and the various unregulated assets on a monthly basis using the methodology outlined in the 'Interest bearing liabilities' section above. This is done by calculating a weighted average cost of debt for each network/unregulated asset taking the average rates of interest rate swaps and unhedged debt allocated to each.

Additional information:

None

Changes from previous year Basis of Preparation:

None

8.7.2 - PROFITABILITY MEASURES

Interest bearing liabilities (end of period balance) – refer to respective section 8.7.1 above

Tax asset base depreciation – refer to respective section 8.7.1 above

Permanent differences due to disallowed interest expense – refer to respective section 8.7.1 above

Permanent differences due to adjustments to prior year returns – refer to respective section 8.7.1 above

Total taxable revenue and/or income for customer contributions and/or gifted assets

Data reporting quality:

Actual

Estimated data:

None

Null response:

None

Information source, methodology and assumptions:

Data reported relates to Prescribed Transmission Services only (does not include Excluded Prescribed Services, Negotiated Services or Unregulated Services). AusNet Transmission Group does not have any customer contributions or gifted assets from the provision of prescribed transmission services.

Additional information:

None

Changes from previous year Basis of Preparation:

None

8.8 Revenue Requirements

Data reporting quality:

Actual

Estimated data:

None

Null response:

In Victoria, AusNet is responsible for allocating its aggregate annual revenue requirement (AARR) to each of the categories of prescribed transmission services and is also responsible for prescribed entry and exit services. All other prescribed transmission services are the responsibility of the Australian Energy Market Operator (AEMO). Therefore, sections with null responses are sections that are not applicable to AusNet.

Information source, methodology and assumptions:

The reporting data for 1 April 24 to 31 March 25 regulatory year is derived from AusNet's Revenue Estimator model and Revenue Allocation Model and is therefore actual information.

For the 'Adjusted Allowed Revenue' table, the applicable inputs are derived from the Revenue Estimator Model. The MAR was derived from cell L12, and under 'Other Adjustments', the revenue is consists of the difference STPIS revenue between proposed and actual STPIS that was used in the 2023-24 transmission charges (cell L27), and participant fees, which includes monthly fees collected from AEMO from 1 April 24 to 31 March 25 and includes 3 monthly incremental amounts from 2023-24 (cell K37 divide by 12 and multiply by 3) and 9 months of monthly incremental amounts from 2024-25 (cell L37 divide by 12 and multiply by 9). For example, participant fees are payable applicable from 1 July to 30 June annually. So, for 2024-25 regulatory year, it will consist of monthly amounts from April to June 24 (relating to the participant fees payable from 1 July 23 to 30 June 24), and the remaining monthly amounts from July 24 to March 25 (1 July 24 to 30 June 25).

For the 'Revenue from Prescribed Services' and 'Revenue Recoveries' table, the amounts are derived from the 'Charges' sheet in Revenue Allocation Model. To derive the Prescribed entry services revenue, cells U8 to V18 are summed. To derive Prescribed exit services revenue, cells U19 to V26 are summed. For Revenue from other sources, i.e. revenue collected from AEMO, cells U6 to V7 as well as cells DO9 to DZ9 in the AEMO Monthly Charges sheet are summed.

For the 'Revenue Reconciliation (T-2)' table, the amounts are derived from the Revenue Estimator model for the applicable T-2 regulatory year.

Additional information:

None

Changes from previous year Basis of Preparation:

Not applicable. No Basis of Preparation document was prepared in previous years under the previous Annual Transmission RIN requirements.

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