Australian Government

AUSTRALIAN ENERGY REGULATOR

Annual Information Order 2026-28 – Electricity distributor

June 2026

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1 General regulatory information order framework

1.1 Purpose of this Order

1.1.1 This general regulatory information order requires a specified class of regulated network service providers to provide the Australian Energy Regulator (AER) with information annually and is referred to as the Annual Information Order 2026-28 (Order).

1.1.2 The *AER* requires the information specified in this *Order* as it considers it is reasonably necessary for it to perform or exercise its functions and powers under the *National Electricity Law (NEL)* or the *National Electricity Rules (NER).*

1.1.3 The *Order* is made under section 28F, Part 3, Division 4 of the *NEL* and requires the specified class of persons to provide the AER the information specified in this *Order*.

1.2 Specified class of persons to which this Order applies

1.2.1 This *Order* applies to the following specified class of regulated network service providers:

- *regulated distribution system operators* that own, control or operate a *distribution system* located in the Australian Capital Territory, New South Wales, Queensland, South Australia, Tasmania or Victoria (electricity distributors).

1.2.2 Throughout this *Order* we refer to the specified class as '*electricity distributor'.*

1.3 Reasons for issuing this Order

1.3.1 The *AER* has decided to amend the Annual Information Order issued to *electricity distributors* on 5 April 2024. Our reason for amending the Annual Information Order is to reduce the volume and complexity of issues arising in future information reporting processes. The amendments do not change our initial reasons for issuing this *Order* and requiring the information, but improve the clarity of the information requirements set out in this *Order*.

1.3.2 The *AER* considers it is reasonably necessary for the performance or exercise of its functions and powers under the *NEL* for *electricity distributors* to provide, prepare and maintain information in the manner and form specified in this *Order,* in accordance with section 28F of the *NEL.* In considering whether it is reasonably necessary to make this *Order*, the *AER* has had regard to the matters to be addressed by the service of this *Order*, and the likely costs that may be incurred by an efficient *electricity distributor* in complying with the *Order*.

1.3.3 The functions and powers of the *AER* are specified under section 15 of the *NEL*. The functions and powers relevant to this *Order* include but are not limited to:

- monitoring *electricity distributors'* compliance with network revenue or pricing determinations
- preparing and publishing reports on *electricity distributors'* financial and operational performance, and
- economic regulatory functions or powers including the making of a *distribution determination*
- any other functions and powers conferred on it under the *NEL* and the *NER* (including the functions conferred outlined in section 1.3.4 below).

1.3.4 Under rule 6.27 of the *NER*, the *AER* must prepare and publish an *annual benchmarking report* to describe the relative efficiency of each *electricity distributor* in providing *direct control services* over a 12-month period. Further, under rules 6.5.6 and 6.5.7 of the NER, the *AER* must have regard to benchmark *operating expenditure* and benchmark *capital expenditure* when assessing these types of expenditure.

1.3.5 Section 16 of the *NEL* requires the *AER* to perform its functions in a manner that will or is likely to contribute to the achievement of the *national electricity objective*. Section 16 of the *NEL* also requires the *AER* to take into account the revenue and pricing principles set out in section 7A of the *NEL* when exercising a discretion in making those parts of a distribution determination relating to *direct control services*.

1.3.6 Accordingly, the *AER* requires detailed information relating to *electricity distributors* and their regulated electricity *network services*. For example, the *AER* considers that to monitor *capital expenditure*, *operating expenditures*, network reliability performance, and inform the next *distribution determination*, it requires detailed *revenue*, *capital expenditure*, *operating expenditure*, and network reliability information, on an annual basis. Much of this information is only held by *electricity distributors* and is not publicly available.

1.3.7 The *AER* considers that the information that it receives in response to this *Order* will enable it to perform its functions and powers under section 15 of the *NEL* and contribute to the achievement of the *national electricity objective*.

1.4 Responding to this Order

1.4.1 The e*lectricity distributor* must comply with all the *Order* requirements in preparing, providing and maintaining its annual response to the *AER*.

1.4.2 The *electricity distributor* must submit its annual response to the *AER* using the *AER* file sharing service, *AER* information portal or other method agreed by the *AER*.

1.4.3 The *electricity distributor* should note failure to comply with this *Order* may result in the *AER* issuing an infringement notice or seeking a civil penalty under the *NEL.*

Knowingly providing a response that is false or misleading may also be an offence under the *NEL* and a serious offence under the *Criminal Code Act 1995* (Cth).

1.5 Annual response date

1.5.1 This *Order* applies for two consecutive years (*reporting periods*),

(a) The first reporting period commences on 1 July 2026 and ends on 30 June 2027.

(b) The second reporting period commences on 1 July 2027 and ends on 30 June 2028.

1.5.2 Information provided in response to this *Order* is to be delivered to the *AER* in accordance with Table 1.

1.5.3 The *electricity distributor* must also provide information required under section 2.3.2 of this Order 3 months after the end of each *reporting period.*

Table 1 Schedule of response dates

Information requirement	Response date
All information required under sections 3, 4, 5 and 6	On or before **31 October**, 4 months after the end of the *reporting period*
Information required under section 2.3.2	On or before 30 September, 3 months after the end of the *reporting period*

1.6 Annual information to be provided to the AER

1.6.1 Each year the *electricity distributor is* required to provide the following information for the *reporting period* to the *AER*:

(a) The information specified in section 3 of this *Order*

(b) The information specified in section 4 of this *Order*

(c) A *basis of preparation* that meets the requirements set out in section 5 of this *Order*

(d) *Audit* and/or *assurance reports* that meet the requirements set out in section 6 of this *Order*

(e) A statutory declaration that meets the requirements set out in section 6 of this *Order*.

1.7 Structure of this Order

1.7.1 This *Order* is structured as follows:

- Section 2 sets out the general requirements that apply under this *Order.*
- Section 3 identifies the data required from the *electricity distributor.*
- Section 4 identifies the supporting information required from the *electricity distributor*.

- Section 5 identifies the *supporting information* required from the *electricity distributor* in the *basis of preparation*.
- Section 6 identifies the *supporting information* required from the *electricity distributor* to meet the audit and assurance requirements that apply under this *Order*.
- Section 7 sets out information around the interpretation and definitions that apply to this *Order*.
- Appendix A contains the *data submission workbooks* setting out the data requirements and the *data submission workbook instructions* relevant to section 3.
- Appendix B contains the definitions that apply under this *Order*.
- Appendix C contains a template for use in preparing the *basis of preparation* required under section 5.

2 General requirements

2.1 Preparation of information provided to the AER

2.1.1 The *electricity distributor* must prepare all information required under this *Order* in a manner and form that is in accordance with the requirements which:

(a) is in an electronic format

(b) if submitted as a standalone file, is not protected, and allows for precedents and dependants to be traced

(c) for information provided as a written response, is fully searchable, in text readable format and is capable of text selection and a 'copy and paste' function being applied to it (all document files must be provided in Microsoft Word or PDF) and

(d) for information required in the *data submission workbook*, is provided in a form agreed with the *AER*.

2.2 Maintaining information provided under the Order

2.2.1 The *electricity distributor* must maintain all information used to prepare the annual responses required under this *Order* for a period of seven years from the date the information is submitted to the *AER*.

2.3 Security of critical infrastructure

Identification and handling

2.3.1 If the *electricity distributor* identifies any information provided in response to this Order as *protected (SOCI) information* (as defined in the Security of Critical Infrastructure Act 2018), the "entity" being, the *electricity distributor* must:

(a) ensure the use and disclosure of the *protected (SOCI) information* relates to the actions of an entity prescribed under section 5 of the SOCI Act.

(b) ensure the *protected (SOCI) information* is identified by:

i. naming the file or document in which the *protected (SOCI) information* is reported with the suffix 'Protected SOCI'

ii. identifying the specific information within the file or document that is *protected (SOCI) information* by shading the relevant data or other information (suggested shading colour: blue (hex #25C6FF)).

(c) provide the *AER* with a list of files or documents containing *protected (SOCI) information*.

(d) provide the *AER* with a version of each file or document listed in response to section 2.3.1(c) from which *protected (SOCI) information* has been redacted. This version of the file or document must be named in accordance with the instructions at section 4.1.2(b) of this *Order* and listed in the table provided in response to section 4.1.2(a) of this *Order.*

Advanced notification requirement

2.3.2 The *electricity distributor* must provide the *AER* with a list of any information to be provided in response to this *Order* that constitutes *protected (SOCI) information* no later than three months after the end of the *reporting period*, as per section 1.5.3 of this *Order*.

2.3.3 When providing this information, the *electricity distributor* must include:

(a) a description of the specific *protected (SOCI) information*; and

(b) sufficient detail to enable the AER to understand the nature and scope of the information without disclosing the *protected (SOCI) information* itself.

2.4 Confidentiality claims

2.4.1 If the *electricity distributor* wishes to make a claim for confidentiality over any information provided in response to this *Order*, the *electricity distributor* must:

(a) comply with the requirements contained in section 28OA of the NEL, as varied from time to time,

(b) comply with the requirements of *AER's* Confidentiality guideline 2017, as if it extended and applied to information provided under this *Order,*

(c) provide, in addition to a confidential version of any information, a version of the information that may be published by the *AER*, and

(d) highlight all information that is subject to a confidentiality claim, and if that information is reported in response to the requirements of section 3 this *Order*, it must be identified using a methodology agreed by the *AER*.

2.5 Resubmission of information provided under the Order

2.5.1 If the *electricity distributor* wishes to amend, or is required to resubmit information provided under this *Order* the *electricity distributor* must notify the *AER* of the proposed resubmission, and:

(a) identify the information to be resubmitted

(b) provide the reason for the resubmission, and

(c) advise whether the resubmitted information results in a *material change* in its response to the *Order*.

2.5.2 If the *AER* agrees that information should be resubmitted, the *electricity distributor* must update the relevant information as directed by the *AER*.

2.5.3 If the *electricity distributor* resubmits information that results in a *material change* to its response to this *Order*, the *AER* may request that the *electricity distributor* provides assurance over this information by:

(a) verifying the resubmitted information by way of a statutory declaration in accordance with section 6 of this *Order*; and/or

(b) providing the necessary *audit report* and *assurance report*, as applicable for the resubmitted information, prepared in accordance with the requirements set out in section 6 of this *Order*.

3 Regulatory template requirements

3.1 Requirement to provide information specified in data submission workbooks

3.1.1 The *electricity distributor* must prepare and provide the *AER* with the information required in the *data submission workbooks* attached in Appendix A titled:

- Annual Information Order 2026-28 – Electricity distributor – Data submission workbook
- Annual Information Order 2026-28 – Electricity distributor – Data submission workbook – SCS Legacy meters

3.1.2 The *electricity distributor* must prepare the information specified in the *data submission workbooks* in accordance with the instructions, validation rules, cross checks and definitions set out:

(a) in the data submission workbooks, and

(b) in the document attached at Appendix A titled 'Annual Information Order 2026-28 – Electricity distributor – Appendix A - Instructions (**Data submission workbook instructions**)'.

3.1.3 The *electricity distributor* must provide the information specified in the *data submission workbooks* in a manner agreed with the *AER.*

4 Supporting information requirements

4.1 Requirement to provide supporting information under this Order

4.1.1 The *electricity distributor* must prepare and provide the *AER* with the information set out in sections 4, 5 and 6 of this *Order*.

4.1.2 The *electricity distributor* must provide the following information to assist the *AER* in identifying the information submitted in response to the *Order*:

(a) a table that references each response to this section 4 and where it is provided in the annual information submission;

(b) a table that references each file (workbook, document or other) provided in or as part of the annual information submission, where each file listed in the table must be given a name in the form:

[Electricity distributor name] [reporting period] – Annual Information Order – [title] – [public/confidential]

where:

i. [Title] provides a meaningful description of the content of document, with limited reliance on acronyms or cross references, for example “Appendix 1A” is not meaningful, but “Appendix 1A – Cost allocation method” is meaningful

ii. [Public/confidential] identifies if the file in its entirety can be published (public); or if it contains any information that is the subject of a claim for confidentiality in accordance with this *Order* (confidential)

iii. In the case where the file name is too long for file sharing, *electricity distributors* may remove ‘Annual Information Order’ and ‘[reporting period]’ from the title

(c) As per section 2.3.1(c), a list of files or documents containing *protected (SOCI) information*.

4.2 Policies and procedures

4.2.1 The *electricity distributor* must provide its policies and procedures, encompassing:

(a) regulatory accounting principles and policies,

(b) capitalisation *policy*, and

(c) policy/procedures for the allocation of *overheads*, in accordance with the approved *cost allocation method*.

4.2.2 The *electricity distributor* must identify any changes to the policies and procedures listed at 4.2.1 that occurred in the *reporting period*, and describe:

(a) the reason for the change, and

(b) the impact of the change on the information being reported.

4.2.3 If the policies and procedures required at 4.2.1 have previously been submitted to the *AER*, and have not been amended since that submission, the *electricity distributor* must report the previous submission date, and does not have to provide the policies and procedures again.

4.3 Regulatory adjustments

4.3.1 For *regulatory adjustments* reported in Table 8.4.1 Operating Expenditure by Purpose and Table 8.1.1 Income Statement, the *electricity distributor* must provide information that reconciles and explains all *adjustments* between the a*udited statutory accounts* and the d*istribution business*, set out in a *regulatory adjustment* reconciliation report.

4.3.2 For each *regulatory adjustment* recorded in Table 8.4.1 Operating Expenditure by Purpose and Table 8.1.1 Income Statement the *regulatory adjustment* reconciliation report must include:

(a) a detailed explanation for the underlying reason for the *regulatory adjustment,*

(b) methodology and assumptions used to quantify the *regulatory adjustment*, and

(c) details of relevant debits and credits associated with the *regulatory adjustment*.

4.3.3 If the *electricity distributor* has previously provided the *AER* with a *regulatory adjustments journal* in response to annual reporting obligations in place for the 2022-23 reporting year, then the *regulatory adjustment* reconciliation report must continue to be in the form of a *regulatory adjustments journal*.

NOTE: An example of a *regulatory adjustments journal*, is that required under the *AER Transmission Information Guideline* (2015).[1]

4.4 Discretionary row descriptors

4.4.1 The *electricity distributor* should keep discretionary row descriptors (inputs) used to meet the information requirements in the *data submission workbooks* at Appendix A the same in each *reporting period*.

4.4.2 If the *electricity distributor* has varied the row descriptors (inputs) compared to those used when reporting in the previous *reporting period*, the *electricity distributor* must provide:

(a) an explanation of the relationship between the current row descriptors, and those used in the previous annual submission,

(b) an explanation of why the change was made, and

(c) supporting material (or references to supporting material) driving the change (including for example policies, guidelines, or accounting standards).

1 https://www.aer.gov.au/industry/registers/resources/guidelines/information-guideline-2015/final-decision

4.5 Allocation of revenues and expenditures to distribution services

4.5.1 For each item of *revenue* or *expenditure* reported in the *data submission workbooks* that is not *directly attributable* and is reported on a *causal allocation* basis to *distribution services* provide:

(a) a description of the *causal* basis of allocation,

(b) the numeric quantity of the allocator, and

(c) an explanation of why the allocator was selected.

4.5.2 For each item of *revenue* or *expenditure* reported in the *data submission workbooks* that is not *directly attributable* and is reported on a *non-causal allocation* basis to *distribution services* provide:

(a) a description of the *non-causal* basis of allocation,

(b) the numeric quantity of the allocator,

(c) an explanation of why the allocator was preferred over other possible allocators,

(d) an explanation why no *causal* basis of allocation could be established, and

(e) documents showing any approval previously granted by the *AER* to use the allocator.

4.6 Allocation of revenues and expenditures to service segments

NOTE: Service segment refers to *direct control services* (either *standard control services* or *alternative control services*), *negotiated network services*, *unregulated distribution services* and *non-distribution services*.

4.6.1 For each item of *revenue* or *expenditure* reported on a causal allocation basis from *distribution services* to a service segment provide:

(a) a description of the causal basis of allocation

(b) the numeric quantity of the allocator

(c) an explanation of why the allocator was selected.

4.6.2 For each item of *revenue* or *expenditure* reported on a *non-causal allocation* basis from *distribution services* to a service segment provide:

(a) a description of the *non-causal* basis of allocation

(b) the numeric quantity of the allocator

(c) an explanation of why the allocator was preferred over other possible allocators

(d) an explanation why no causal basis of allocation could be established

(e) documents showing any approval previously granted by the *AER* to use the allocator.

4.7 Material differences

4.7.1 Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the target performance measure specified in the *service target performance incentive scheme* and actual performance reported in the *data workbook*.

4.7.2 Identify each difference (where the difference is equal to or greater than ± 10 per cent in real terms) between the *AER's* forecast total *operating expenditure* and actual *operating expenditure* reported in Table 2.1.2 Standard Control Services Opex by Purpose.

NOTE: *AER* forecast total *operating expenditure* should be sourced from most recent *post-tax revenue model* issued by the *AER* as part of or after the final determination.

4.7.3 Identify each difference (where the difference is equal to or greater than ± 10 per cent in real terms) between the *AER's* forecast *capital expenditure* by purpose and actual *capital expenditure* by purpose reported in Table 2.1.1 Standard Control Services Capex by Purpose.

NOTE: *AER* forecast *capital expenditure* by purpose should reconcile to the forecast *capital expenditure* in the most recent *post-tax revenue model* issued by the *AER* as part of or after the final determination.

4.7.4 Explain the reasons for each difference identified in the response to sections 4.7.1, 4.7.2 and 4.7.3.

4.7.5 Provide details of the methodology used to update forecast expenditure (or actual expenditures) so that the differences determined in response to sections 4.7.2 and 4.7.3 are derived in real terms.

4.8 Demand management incentive scheme

4.8.1 Identify each *demand management incentive scheme (DMIS)* eligible project and committed project for which the *electricity distributor* seeks approval.

4.8.2 For each *DMIS* eligible project identified in the response to section 4.8.1:

(a) explain how it complies with the AER's RIT-D or the minimum project evaluation requirements detailed at section 2.2.1 of the *DMIS*;

(b) submit a demand management compliance report in accordance with section 2.4 of the *DMIS*.

4.8.3 For each committed project identified in the response to section 4.8.1:

(a) explain how it complies with committed project requirements as detailed at section 2.2.2 of the *DMIS*;

(b) calculate the project incentive that each committed project can receive, in accordance with section 2.3 of the *DMIS*;

(c) calculate total financial incentive that a distributor can accrue across all committed projects for the reporting period in accordance with section 2.5 of the *DMIS*;

(d) submit a demand management compliance report in accordance with section 2.4 of the *DMIS*.

4.8.4 Provide an overview of developments in relation to projects or programs completed in previous years of the current *regulatory control period*, and of any results to date.

4.8.5 Provide any other required information as specified by the *DMIS*.

4.9 Demand management innovation allowance mechanism

4.9.1 Identify each *demand management innovation allowance mechanism* (*DMIAM*) eligible project for which the *electricity distributor* seeks approval.

4.9.2 For each *DMIAM* eligible project identified in the response to section 4.9.1:

(a) explain how it complies with project criteria detailed at section 2.2.1 of the *DMIAM,* and

(b) submit a compliance report in accordance with section 2.3 of the *DMIAM*.

4.9.3 Provide an overview of developments in relation to projects or programs completed in previous years of the current *regulatory control period*, and of any results to date.

4.9.4 Provide any other required information as specified by the *DMIAM*.

4.10 Tax standard asset lives

4.10.1 Identify all tax standard asset lives applied to *asset classes* that differ from those contained in the *AER* approved *post-tax revenue model* for the *reporting period*.

4.10.2 Explain the reasons for each difference identified in section 4.10.1 including reasons for any departure from the Australian Tax Office’s most recent determination of effective life.

4.11 Tax reporting – immediate expensing

4.11.1 List and explain the types of *capital expenditure* (such as refurbishment *capital expenditure* and *capitalised overheads*) associated with *the immediate expensing of capital expenditure* as reported in the *data submission workbook*, if any.

4.11.2 State if, in the *reporting period*, the *electricity distributor* has changed and/or intends to change its tax policy on *immediate expensing of capital expenditure* and explain the rationale for the change and impact of the change.

4.12 Regulatory investment test expenditure

4.12.1 For each project where the *electricity distributor* has incurred expenditure during the *reporting period* relating to a project that has undergone a *RIT-D* in accordance with rule 5.17 of the *NER* and the *AER*’s *RIT-D application guidelines* provide the following details:

(a) the name of the *RIT-D* and the date on which the *RIT-D* process was concluded, and

(b) whether the expenditure on the project is classified as *augmentation expenditure* or *replacement expenditure*.

4.13 Related party information

4.13.1 For all *related party transactions* reported in Table 8.2.1, Table 8.2.3 and Table 8.4.1*,* the *electricity distributor* must confirm the *contract* or arrangement with the *related party* requires the related *party* to provide all relevant information to enable the *electricity distributor* to meet its reporting obligations (including allocation or attribution of costs of that *related party contract*) under this *Order.*

NOTE: The *AER* is not seeking the detail of these transactions or *contracts* - we are seeking confirmation of the *electricity distributor*'s access to this information.

4.14 Compliance

4.14.1 Explain the procedures and processes used by the *electricity distributor* to ensure the *distribution services* have been classified in accordance with the *electricity distributor's* current *distribution determination*.

4.14.2 Explain the procedures and processes used by the *electricity distributor* to ensure the *negotiated service criteria,* as set out in the *electricity distributor's* current *distribution determination*, have been applied.

4.14.3 Describe the process the *electricity distributor* has in place to identify a *negative change event* under clause 6.6.1(f) of the *NER* and the *materiality threshold* applied to these events.

4.15 Reporting of fines and penalties

4.15.1 Where any fine or penalty has been incurred by the *electricity distributor* during the *reporting period* as a result of non-compliance with:

(a) a distribution safety standard; or

(b) a distribution reliability standard; or

(c) a distribution service standard; or

(d) the *NEL* or *NER*; or

(e) the National Energy Retail Law or National Energy Retail Rules; or

(f) any Act or instrument referred to in section 2D(1)(b)(ii) to (v) of the *NEL*,

the *electricity distributor* must identify and itemise each fine or penalty (including a description of the non-compliance, the size of each fine or penalty, and the relevant authority that levied each fine or penalty).

4.15.2 For all such fines or penalties identified in response to section 4.15.1, the *electricity distributor* must provide a statement attesting that:

(a) The *electricity distributor* has not included any of that expenditure or cost, or any part of that expenditure or cost, in the operating expenditures contained in its response to this *Order*,

(b) The *electricity distributor* has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users, and

(c) The *electricity distributor* has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.

4.15.3 Where no such fines or penalties have been identified in response to section 4.15.1, the *electricity distributor* must provide a statement attesting that no such fine or penalty has been incurred.

4.15.4 The fines or penalties identified in section 4.15.1 exclude any payments made in accordance with the *AER's* incentive schemes (including guaranteed service level payments under Chapter 6 of the *AER's service target performance incentive scheme*) or any relevant jurisdictional guaranteed service level scheme.

4.16 Tariff variations

4.16.1 The *electricity distributor* must provide an explanation of the timing and nature of any *material changes* in the level and structure of *tariffs* in the *reporting period.*

4.16.2 The *electricity distributor* must provide an explanation of any *material* tariff re-assignments in the *reporting period*.

4.17 Vegetation management

4.17.1 The *electricity distributor* must provide a list of regulations that result in a *material* cost on performing *vegetation management* works (including, but not limited to, bushfire mitigation regulations).

4.17.2 The *electricity distributor* must provide a list of self-imposed standards from the *electricity distributor's vegetation management* program.

4.17.3 The *electricity distributor* must provide an explanation of the cost impact of regulations and self-imposed standards on performing *vegetation management* work in the *reporting period*.

4.18 Reconciliation of expenditure

4.18.1 The *electricity distributor* must identify all *non-network operating expenditures* items that have been reported against more than one *operating expenditure category*. The *electricity distributor* must specify the relevant categories and expenditure amounts, for each *non-network expenditure* item allocated to multiple categories and enable reconciliation to total *non-network operating expenditure* reported on a mutually exclusive/collectively exhaustive basis to meet the requirement for *operating expenditure* by purpose.

4.19 Benchmarking asset base

4.19.1 If the *electricity distributor* wishes to report *benchmarking asset base* values in accordance with the Optional additional approach set out in Appendix A Data submission workbook instructions, Section 2.15.12 Optional additional approach, it must:

(a) submit the economic benchmarking asset base tables prepared using the optional additional approach as a separate data submission

(b) provide a *basis of preparation* detailing the data estimation methodology.

4.20 Taxable income adjustments

4.20.1 The *electricity distributor* must provide in its *basis of preparation*, the methodology used to determine the permanent differences due to disallowed interest expenditure, and specify the interest expenditures, that the *electricity distributor* has assessed to be non-deductible.

4.20.2 The *electricity distributor* must provide in its *basis of preparation*, details of the prior year *tax adjustments*, including the reasons for the change (e.g. change in legislation, court judgment or Australian Tax Office correspondence where relevant).

4.20.3 If the *electricity distributor* has reported *tax losses* carried forward in Table 8.7.1 it must provide an explanation of the factors that have resulted in the carried forward *tax losses*.

4.20.4 The *electricity distributor* must report any *tax losses* that have been used by the *electricity distributor* during the *reporting period*. The *electricity distributor* must provide supporting calculations for the *tax losses* used.

4.21 Interest expense

4.21.1 The *electricity distributor* must provide in its *basis of preparation*, in relation to its interest expenditure:

(a) a description and explanation of the methodology used to allocate the interest expenditure. This methodology should provide:

i. the specific debt that has been allocated to the *electricity distributor's* core regulated services;

ii. the general debt that has been allocated to the *electricity distributor's* core regulated services;

iii. the method used to allocate the specific debt and general debt between the regulated and unregulated assets held at the group level and also to the core regulated services;

iv. the method used to allocate *related party* interest to the *electricity distributor's* core regulated services, to the extent *related party* debt has been included in the specific or general debt allocations; and

(b) if available or applicable to the *electricity distributor*, details of the characteristics of the portfolio of debt being allocated to the *electricity distributor*, including:

i. the value of drawn debt allocated to the *electricity distributor's* core regulated services;

ii. the portfolio-weighted average term of debt instruments giving rise to *interest expense* reported; and

iii. any additional detail in its *basis of preparation*, that the *electricity distributor* would consider relevant in understanding the allocated interest expenditure.

4.22 Small scale incentive schemes

Customer service incentive scheme

4.22.1 For every reporting year for which a *customer service incentive scheme* applies to the *electricity distributor*, the *electricity distributor* must report the information specified in the *AER's* regulatory determination that applied the scheme (applicable regulatory determination). The information must be reported in a form consistent with the requirements set out in the applicable regulatory determination, or as otherwise agreed with the *AER*.

4.22.2 Information reported under section 4.22.1 is required to be included in the *basis of preparation* submitted by the *electricity distributor*.

4.22.3 Information reported under 4.22.1 is subject to the assurance requirements set out in the applicable regulatory determination, or in section 6 of this *Order*.

Export service incentive scheme

4.22.4 For every reporting year for which an *export service incentive scheme* applies to the *electricity distributor*, the *electricity distributor* must report the information specified in the applicable regulatory determination that applied the scheme. The information must be reported in a form consistent with the requirements set out in the applicable regulatory determination, or as otherwise agreed with the *AER*.

4.22.5 Information reported under section 4.22.4 is required to be included in the *basis of preparation* submitted by the *electricity distributor*.

4.22.6 Information reported under 4.22.4 is subject to the assurance requirements set out in the applicable regulatory determination.

4.23 Large projects

4.23.1 For each *large project* reported in Table 7.5.1 the *electricity distributor* must report:

(a) the date of an *AER* determination to incorporate the expenditure forecast for the *large project* into the *maximum allowed revenues* for *the electricity distributor,*

(b) whether the project is a *contingent project* (as defined in the NER), and

(c) the expenditure forecast for the reporting year; the difference between forecast and actual expenditure; and drivers of the difference.

4.23.2 Reporting in Table 7.5.1 requires *direct* and *indirect expenditure* to be reported. The supporting information required in response to paragraph 4.23.1(c) should allow for like-for-like comparison between the forecast and actual expenditures. If the forecast for a project was only provided on a '*direct expenditure*' basis, then the actual expenditure comparator should also be '*direct expenditure*'. Similarly, if the forecast for a project was based on total expenditure, then the actual expenditure comparator should also be total expenditure.

4.24 Circuit capacity

4.24.1 The *electricity distributor* must describe in its *basis of preparation* the methodology used to estimate *circuit capacities* reported in Table 3.5.1 Network Capacities and Table 3.5.2 Transformer Capacities.

4.24.2 The *electricity distributor* must explain any changes in methodology used to estimate *circuit capacity* implemented for the *reporting period*.

5 Basis of preparation

5.1 Overview

5.1.1 The *electricity distributor* must prepare and submit a *basis of preparation* with each annual response to this *Order*. The *basis of preparation* must:

(a) enable auditors, assurance practitioners and the *AER* to clearly understand how the electricity distributor has compiled the information required under this *Order,* and

(b) identify any policy or operating instructions that are used to direct the compilation and preparation of information required to respond to the *Order*.

5.2 General instructions

5.2.1 For each table and sub-table in the *data submission workbooks* the *basis of preparation* must:

(a) describe the source of the information provided

(b) document the methodology (if any) used to transform the source data to meet the requirements of *Order,* including any policies or procedures that *materially* impact the methodology

(c) list the assumptions used in applying the methodology noted under (b)

(d) classify the information as *actual information* or *estimated information* or a NULL response

(e) where estimated information is provided:

i. explain why *actual information* cannot be provided and

ii. why the estimated *information* provided is the *electricity distributor's* best estimate.

(f) where a NULL response is provided explain why the information requirement is not relevant to the *electricity distributor*

(g) where a negative value has been provided that contradicts a validation rule ≥0, explain why a negative value has been provided

(h) explain any changes in the information sources or methodology that have occurred in the reporting period.

5.2.2 The *basis of preparation* must include information on small scale incentive schemes, as required under section 4.22.

5.2.3 The *basis of preparation* may contain additional information if the *electricity distributor* considers it could assist a user to gain an understanding of the information presented in the *data submission workbooks*.

5.2.4 Appendix C contains a table to illustrate the information the *electricity distributor* must provide to meet the requirements of section 5 of this *Order*. The required information may be submitted as a table or other structured report in an excel, word, text searchable PDF file or in another format as agreed with the *AER*.

6 Assurance requirements

6.1 Audit and/or assurance reports

6.1.1 Audits and reviews must be conducted in compliance with Australian Auditing and Assurance Standards, as developed by the Auditing and Assurance Standards Board.

6.1.2 When undertaking an audit or review on the *data submission workbooks* presented by the *electricity distributor*, as required under section 3 of this *Order* (and described in the *data submission workbooks*), an *auditor* or assurance practitioner must opine or attest by reference to the *electricity distributor's basis of preparation*, prepared in accordance with section 5 of this *Order*.

6.2 Provision of audit and assurance reports

6.2.1 The *electricity distributor* must provide the *AER* with the *audit reports* and/or *assurance reports* as applicable, prepared in accordance with the requirements set out in this section 6.

6.3 General requirement to audit or review

6.3.1 The independent audit or review requirements set out in this section 6 apply to the following types of *historical information* to be submitted each *reporting period*, in accordance with section 3 of this *Order*:

(a) Actual financial information;

(b) *Estimated financial information* where the *electricity distributor* certifies that it is not possible to provide actual financial information; and

(c) Actual and estimated non-financial information.

6.4 Exceptions to audit or review requirements

6.4.1 The general requirement to audit or review does not apply to information that has previously been audited according to the standards set out in sections 6.6, 6.7 and 6.8 and submitted to the *AER*.

6.4.2 Where reliance is made on the exemption in section 6.4.1, the *electricity distributor* must identify the information the exemption covers in response to this *Order*. However, if this previously audited and supplied data is disaggregated for the purposes of this *Order*, the disaggregated data and reconciliation with the previously audited and supplied data must be audited or reviewed as relevant.

6.4.3 Auto populated cells in the *data submission workbooks* are outside of the audit and review requirements.

6.4.4 The following data requirements are exempt from audit and review requirements under sections 6.6, 6.7 and 6.8:

(a) Table 2.8.2 Cost Metrics for Routine and Non-Routine Maintenance

(b) Table 3.3.4 Asset Lives (standard control services & alternative control services)

(c) Table 3.9.1 Net Metered Volume of Energy Exported by Customers With Smart Meters

(d) Table 3.9.2 Export Capacity

(e) Table 3.9.3 Utilisation and Curtailed Energy

(f) Table 3.9.4 Exporting Customer Capacity

(g) Table 3.9.5 Customers (Export Services)

(h) Table 3.9.6 AS4777.2 Measures – Compliant Inverters

(i) Table 3.9.7 Service Performance (Export Services)

(j) Table 3.9.8 Export Services Compliance and Complaints

(k) Table 3.9.9 Average Time of Offer

6.5 Class of person to conduct audits or reviews

6.5.1 The audit or review of *actual* or *estimated financial information* must be conducted by the Auditor General of the state in which the *electricity distributor* is based, or a person who:

(a) is a registered company auditor who is a member of the Chartered Accountants Australia and New Zealand (CA or FCA) or of CPA Australia (CPA or FCPA) that holds a Certificate of Public Practice;

(b) is independent from the *electricity distributor* and any related party of the *electricity distributor* – that is, not a principal, member, shareholder, officer, or employee of the *electricity distributor* or a *related party*;

(c) is appointed for the purposes of expressing an opinion or conclusion on the audit or review requirements outlined in section 6 of this *Order*;

(d) has experience in conducting financial, performance, operation or quality assurance audits and conducting data sampling in the electricity industry;

(e) possesses relevant knowledge and experience in the electricity industry, engineering, IT systems, asset management or customer service as relevant to the audit or review;

(f) understands regulatory accounting methods, including the *electricity distributor*'s cost allocation method and the *AER's Distribution Ring-Fencing Guidelines*;

(g) understands the definitions, procedures and methodologies specified in the NER and/or this *Order* that have been used in the preparation of the information the subject of the audit or review; and

(h) is available to discuss issues relating to the audit or review with the *electricity distributor* and the *AER*, including where an *audit report* or *assurance report* is critical of, or highlights deficiencies in, the audited *financial information* and/or *non-financial information*.

6.5.2 The review of *non-financial information* may be conducted by a person who is an assurance practitioner as defined in ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and satisfies the requirements set out in section 6.5.1(b) to (h) of this *Order*.

6.6 Audit of actual financial information

6.6.1 The audit of *financial information* that is *actual information* must:

(a) comply with Auditing Standard ASA 805 Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement;

(b) include an *audit report* that includes an opinion as to whether or not the *actual financial information* provided is presented fairly in all *material* respects, in accordance with the requirements of this *Order* and the *electricity distributor*'s *basis of preparation*; and

(c) list all tables and sub-tables within scope of the audit engagement.

6.6.2 The following data requirements are exempt from the audit of *financial information* that is *actual information* specified in section 6.6.1:

(a) Table 2.7.2 Expenditure Metrics

(b) Table 2.12.1 Input Table – Operating Expenditure

(c) Table 3.3.2 Asset Value Roll Forward (standard control and alternative control services)

(d) Table 3.9.10 Export Services Opex

(e) Table 8.6.2 Asset Base Roll Forward – Alternative Control Services – Indicative Public Lighting Asset Base Roll Forward (within Period)

NOTE: the assurance requirements at section 6.7 will apply to the data requirements listed in section 6.6.2.

6.7 Review of estimated financial information

6.7.1 The review of *financial information*, that is *estimated information*, must:

(a) comply with ASRE 2405 Review of Historical Financial Information Other than a Financial Report;

(b) include an assurance report as to whether anything has come to the assurance practitioner's attention that causes it to believe that the estimated historical financial information is not prepared, or presented fairly, in all material respects, in accordance with the requirements of this *Order* and the *electricity distributor*'s basis of preparation; and

(c) list all tables and sub-tables within scope of the assurance engagement.

6.8 Review of non-financial information

6.8.1 The review of the *non-financial information* must:

(a) comply with ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information;

(b) include an assurance report as to whether anything has come to the assurance practitioner's attention that causes it to believe that the *historical non-financial information* does not, in all *material* respects, present fairly in accordance with the requirements of this *Order* and the *electricity distributor*'s *basis of preparation*; and

(c) list all tables and sub-tables within scope of the assurance engagement.

6.9 Statutory declaration

Statutory declaration requirements

6.9.1 The *Order* requires a company *officer* of the electricity distributor to attest to the completeness and quality of the information provided in response to the *Order*, in accordance with the form of statutory declaration set out in section 6.9.

6.9.2 When attesting to the quality of the *historical information* provided the *officer* of the *electricity distributor* should take into account relevant factors including (but not limited to) whether *historical information* provided in response to this *Order*:

(a) meets the requirements of this *Order,*

(b) is based on assumptions, that are identified in response to section 5.2.1 of this *Order*, and are justified and supported by evidence,

(c) is consistent with applicable *AER* Guidelines, and

(d) is consistent, to the extent possible, with historical information previously provided to the *AER*.

6.9.3 The statutory declaration may also include any relevant attestations set out in an incentive scheme that applies to the *electricity distributor*. For example, the *Demand Management Innovation Allowance Mechanism (DMIAM)* requires a statutory declaration by a company *officer* to attest that the independent assessment of an eligible project has been undertaken by an assessor that meets the criteria set out in the *DMIAM*.

6.9.4 If required under a specific incentive scheme applying to the *electricity distributor*, the *electricity distributor* may include additional attestations, in the statutory declaration required under section 6.9.1 of this *Order*. Alternatively, the additional attestations may be provided separately.

Form of the statutory declaration

6.9.5 An *officer* of the *electricity distributor* is required to make and provide to the AER a statutory declaration in the form appropriate for the jurisdiction in which the *officer* resides.

6.9.6 In making a statutory declaration, the *officer* is required to make a declaration in accordance with the requirements of any relevant Act in the jurisdiction in which the *officer* making the statutory declaration resides. The officer is further required to insert the following terms in the statutory declaration:

1. I am an *officer*, for the purposes of the *National Electricity ([*relevant jurisdiction*]) Law*, of [Name of the *electricity distributor]* in its capacity as a *electricity distributor* (ABN XX XXX XXX XXX) for the purposes of section 28C of the NEL. I am authorised by [the *electricity distributor]* to make this statutory declaration as part of its response to the *Annual Information Order – Electricity distributor* dated 30 June 2026 (*Order*) made by the *Australian Energy Regulator (AER)*.

2. The *actual information* (as defined in the *Order*) provided in [the *electricity distributor's*] response to the *Order* is, to the best of my information, knowledge, and belief:

   (a) in accordance with the requirements of the *Order*; and

   (b) true and accurate.

3. Where it is not possible to provide *actual information* to comply with the *Order*, [the *electricity distributor]* has, to the best of my information, knowledge, and belief:

   (a) provided [insert shortened name of *electricity distributor*]'s best estimate of the information in accordance with the requirements of the *Order*; and

   (b) provided the basis for each estimate, including assumptions made and reasons why the estimate is the best estimate, given the information sought in the *Order*.

4. [Optional] I certify that each independent assessment of a proposed project that meets the objectives of the *Demand Management Innovation Allowance* has been undertaken by a person that meets the criteria set out in the *AER's Demand Management Innovation allowance mechanism*, as it applied in [reporting year].

7 Definitions

7.1 Interpretation

7.1.1 In this *Order* unless the contrary intention appears:

- the singular includes the plural, and the plural includes the singular
- the words “shall” and “must” indicate mandatory requirements
- expressions such as “includes” or “for example”, in any form, are not words of limitation
- a reference to any corporation, whether expressly identified or not, includes a reference to any representatives of that corporation, and
- a reference to any legislation, legislative instrument or other instrument is a reference to that legislation or instrument as in force from time to time

7.2 Terms used in this Order and data submission workbooks

7.2.1 The *italicised terms* used in this *Order* and the terms used in the *data submission workbooks* are defined in Appendix B to this *Order*, or in the AER Networks Glossary[2], or have the meaning given to those terms in the *NEL* or *NER*.

[2] As published by the AER, see: AER Networks Glossary, Version 3, as at 30 June 2026.

A Appendix – Data submission workbooks and instructions

The following workbooks are attached in this *Order.*

- Annual Information Order 2026-28 – Electricity distributor – Data submission workbook
- Annual Information Order 2026-28 – Electricity distributor – Data submission workbook – SCS Legacy meters

The following instructions are attached in this *Order.*

- Annual Information Order 2026-28 – Electricity distributor – Appendix A - Instructions

B Appendix – Definitions

Term	Definition
actual information	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* or *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 an *Order, Notice* or other purpose governing the preparation of the information.
alternative control services	A *distribution service* that is a *direct control service* but not *a standard control service* (also defined in the *NER*). By way of context, *Alternative Control Services* are intended to capture *distribution services* provided at the request of, or for the benefit of, specific customers, with regulatory oversight of prices.
assurance report	A report provided by an assurance practitioner for a review engagement, prepared in accordance with Australian Auditing Standards.
audit report	A report provided by an *auditor* for an audit engagement, prepared in accordance with Australian Auditing Standards.
basis of preparation	A description of the data quality, sources and methodologies used to meet the data requirements.
causal allocator	An allocator that has a direct relationship with the information to be reported. The allocator has a *material* influence on the information to be reported.
cost allocation method	The *Service Provider's cost allocation method* approved by the AER for the reporting period, or a *Service Provider's cost allocation method,* as required to be published under Part 10 of the *NGR.*
data submission workbook	The excel workbook/s at appendix A to this *Order*
distribution service	As defined in the *NER*: A service provided by means of, or in connection with, a *distribution system*.
estimated information	Information whose presentation is not *materially* dependent on information recorded in the Network *Service Provider's* or *Service Provider's* historical

Term	Definition
	accounting records or other records used in the normal course of business, and whose presentation is contingent on judgments and assumptions for which there are valid alternatives, that could lead to a *materially* different presentation. Please refer to explanation of terms “accounting records” and “records used in the normal course of business” in the definition for *actual information.*
financial information	Information that is measured in monetary terms
immediate expensing of capital expenditure	The value of *capital expenditure*, that would be added to the *regulatory* or *tax asset base*, that has been or would be treated as immediately deductible for income tax purposes (e.g. refurbishments, *overheads*).
material (material change)	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*.
materiality (threshold)	A level of *materiality* that is used to classify an event or information as *material*.
National Electricity Law (NEL)	Means the *National Electricity (South Australia) Act 1996,* as in force from time to time
negotiated network service	As defined in section 2C of the *NEL*.
non-causal allocator	An allocator that does not have a *material* influence on the information to be reported.
non-distribution service	As defined in the AER Distribution Ringfencing guideline
non-financial information	Information that is not measured in monetary terms.
NULL response	No input is recorded against the data requirement
Officer	As defined in section 9 of the *Corporations Act 2001 (Cth)*
Order	This general regulatory information order issued under Part 3, Division 4 of the *NEL*.
post-tax revenue model (PTRM)	As defined in the *NER,* Chapter 10 or a financial model published by the AER in accordance with r. 75A of the *NGR.*
regulatory adjustments	The adjustments made to *audited statutory accounts* to arrive at the accounts for the *Service Provider.* The adjustments must include: (a) *non-distribution services;* (b) negotiated transmission services; (c) non regulated transmission services; (d) and any other adjustments. OR The adjustments made to the *pipeline service provider’s audited statutory accounts* to derive accounts relating to its *pipeline services.*

Term	Definition
regulatory information order	Has the meaning given by section 28C of the NEL.
related party	Any entity other than the *pipeline service provider* or network *service provider* that at any time during the *regulatory year* or the previous, current or forthcoming *access arrangement period* or regulatory control period: (i) had, has or is expected to have control or significant influence over the *pipeline service provider* or network *service provider;* (ii) was, is or is expected to be subject to control or significant influence from the *pipeline service provider* or network *service provider;* (iii) was, is or is expected to be controlled by the same entity that controlled, controls or is expect to control the *pipeline service provider* or network *service provider* —referred to as a situation in which entities are subject to common control; (iv) was, is or is expected to be controlled by the same entity that significantly influenced, influences or is expected to influence the *pipeline service provider* or network *service provider;* or (v) was, is or is expected to be significantly influenced by the same entity that controlled, controls or is expected to control the *pipeline service provider* or network *service provider;* but excludes any other entity that would otherwise be related solely due to normal dealings of: (a) financial institutions; (b) authorised trustee corporations as prescribed in Schedule 9 of the Corporations Act 2001 (Cth); (c) fund managers; (d) trade unions; (e) statutory authorities; (f) government departments; (g) local governments; or where any of the entities identified in sub paragraphs (a) to (e) have novated or assigned a *contract* or arrangement to or from another entity (where that *contract* or arrangement relates to the *provision* of *reference services* by the *pipeline service provider* or core regulated services by the network *service provider),* the entity to whom that *contract* or arrangement has been novated or assigned.
reporting period	A 12-month period as defined in section 1.5 of this Order.
service target performance incentive scheme (STPIS)	The AER's *Service target performance incentive scheme* published by the AER in accordance with the *NER*.
SOCI Act	*Security of Critical Infrastructure Act 2018 (Cth)*
standard control services	As defined in the *NER*. For clarity, *Standard Control Services* are intended to capture services available only through *DNSP*'s network typically provided to all customers or a broad class of customers recovered through general network *tariffs.*
supporting information	Information provided in accordance with section 4, 5 or 6 of this *Order.*
unregulated distribution services	As defined in the AER Distribution Ringfencing guideline

Note: Definitions of terms used in the data submission workbooks are contained in the AER Networks Glossary.

C Appendix – Basis of preparation template

The *electricity distributor* must provide a *basis of preparation* to meet the requirements of section 5 of this *Order*.

The *basis of preparation* is preferred in table form (the table may be pdf, excel or other document type) and cover at a minimum the following information for all data requirements:

Annual information Order – Table reference Section 5.2.1	Data reporting quality Section 5.2.1(d)	Estimated data Section 5.2.1(e)		NULL response Section 5.2.1(f)	Negative value provided and validation rule is ≥ 0 Section 5.2.1(g)	Information source Section 5.2.1(a)	Methodology Including policy references Section 5.2.1(b)	Assumptions Including policy references and approvals 5.2.1(c)	Additional information Section 5.2.3	Changes from previous year basis of preparation Section 5.2.1(h)
	Actual/ Estimate/ NULL	Why no actual data	Why best estimate	Why requirement is not able to be met	Why negative value					