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| **REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY (STATE) LAW** |
| **ISSUED BY**  **THE AUSTRALIAN ENERGY REGULATOR** |
| **Australian Energy Regulator**  **GPO Box 3131**  **Canberra ACT 2601** |

**NATIONAL ELECTRICITY (STATE) LAW**

**DIVISION 4 OF PART 3**

**REGULATORY INFORMATION NOTICE   
TO PROVIDE, PREPARE AND MAINTAIN INFORMATION**

|  |  |
| --- | --- |
| TO: | NSP Name (ACN XXX XXX XXX)  ADDRESS  SUBURB STATE POSTCODE |

The Australian Energy Regulator (**AER**) considers it reasonably necessary for NSP Name (ACN XXX XXX XXX) (**TNSP**), being a regulated network service provider for the purposes of section 28D of the *National Electricity (STATE)**Law* (**NEL**) who provides electricity transmission services in State, to provide and to prepare and maintain the information in the manner and form specified in this Regulatory Information Notice (Notice), which is information the AER requires for the performance or exercise of its functions or powers conferred on it under the NEL or the *National Electricity Rules* (**NER**).

**THE MATTERS THE SUBJECT OF THIS NOTICE**

This Notice sets out the requirements that must be complied with and the information that must be provided to the AER and be prepared and maintained by TNSP for the purposes of the AER to:

1. publish network service provider performance reports (annual benchmarking reports) the purpose of which are to describe, in reasonably plain language, the relative efficiency of each Transmission Network Service Provider in providing prescribed transmission services over a 12 month period
2. assess benchmark operating expenditure and benchmark capital expenditure that would be incurred by an efficient Transmission Network Service Provider relevant to building block determinations

in respect of the transmission services provided by way of the electricity transmission network TNSP operates in State.

Pursuant to sections 28F(1)(a) and 28M(e) of the NEL, the AER requires TNSP to:

1. provide the information specified in Schedule 1 to this Notice, audited in accordance with Appendix C to this Notice;
2. prepare and maintain the information in the manner and form specified in Schedule 2 to this Notice;
3. verify, using the statutory declaration in Appendix B to this Notice, the information specified in this Notice; and

deliver the said information and the accompanying Audit Report and Review Report(s) electronically to [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au), on or before 5 pm Australian Eastern Standard Time on:

* + - 1. Saturday, 31 May 2014 for information relating to the Initial Regulatory Years; and
      2. 31 October (or, if 31 October is not a *Business Day*, the next *Business Day*) of each year *t*, for information relating to each Subsequent Regulatory Year, where:
         1. Year *t* commences in 2014; and
         2. The relevant Subsequent Regulatory Year is the year *t – 1*.

***Explanatory note:*** *TNSP must provide the information for the 2014 Regulatory Year on Friday, 31 October 2014; the information for the 2015 Regulatory Year on Monday, 2 November 2015 and so on.*

Pursuant to section 28K(1)(c) of the NEL, the reasons for the information required in this Notice to be provided and to be prepared and maintained in the manner and form specified are set out in Appendix D to this Notice.

**DEFINITIONS AND INTERPRETATION**

In this Notice, including the Schedules and Appendices to this Notice, unless the contrary intention appears:

* the singular includes the plural and the plural includes the singular;
* a reference to any corporation, whether expressly identified or not, includes a reference to any Representative of that corporation; and
* the terms in the table in Appendix F have the definitions set out in that table.

Dated: **6 December 2013**

……………………………………………………………….  
Andrew Reeves  
Chair

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# SCHEDULE 1

**REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY (STATE) LAW ISSUED TO**

**NSP NAME (ACN XXX XXX XXX)**

|  |  |
| --- | --- |
| **Note:** | **(a) All information and responses must be provided in accordance with this Schedule.**  **(b) Audited or reviewed information must be provided annually.** |

## PROVIDE INFORMATION

* + 1. Provide the information required in each *Regulatory Template* in the Microsoft Excel Workbook attached at Appendix A completed in accordance with:
       1. this Notice;
       2. the Principles and Requirements in Appendix E; and
       3. the applicable approved *cost allocation method*.
    2. Provide in accordance with this Notice and the Principles and Requirements in Appendix E, a Basis of Preparation demonstrating TNSP has complied with this Notice, in respect of:
       1. the information in each Regulatory Template in the Microsoft Excel Workbook attached at Appendix A; and
       2. any other information prepared in accordance with the requirements of this Notice.
    3. Provide any other supporting information or documentation used to comply with the requirements of this Notice.

## AUDIT REPORTS

* + 1. Provide an Audit Report and Review Report(s) in accordance with the requirements in Appendix C.
    2. Provide all reports from the Auditor to TNSP’s management regarding the audit review and/or auditors’ opinions or assessment.

## CONFIDENTIAL INFORMATION

* + 1. If TNSP wishes to make a claim for confidentiality over any information provided in response to this *Notice*, provide the details of that claim in accordance with the requirements of the *AER’s* Confidentiality Guideline, as if it extended and applied to that claim for confidentiality.
    2. Provide any details of a claim for confidentiality in response to clause 3.1 at the same time as making the claim for confidentiality.
    3. Confirm, in writing, that TNSP consents to the AER disclosing all other of TNSP’s Information on the AER website.

## ONGOING OBLIGATION

* + 1. Provide information for the Subsequent Regulatory Years annually up to and including the 2024 Regulatory Year.

# SCHEDULE 2

**REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY (STATE) LAW ISSUED TO**

**NSP NAME (ACN XXX XXX XXX)**

|  |  |
| --- | --- |
| **Note:** | **The information specified in the Microsoft Excel workbook attached at Appendix A and accompanying Basis of Preparation must be verified in accordance with the requirements of this Notice using the statutory declaration in Appendix B and audited or reviewed (as appropriate) in accordance with Appendix C.** |

## PREPARE INFORMATION

* + 1. Prepare the Microsoft Excel workbook attached at Appendix A in the manner and form specified in the worksheets therein and in accordance with this Notice.
    2. Prepare a Basis of Preparation in accordance with the requirements specified in Schedule 1. The Basis of Preparation must:
       1. demonstrate how the information provided is consistent with the requirements of this Notice;
       2. explain the source from which TNSP obtained the information provided;
       3. explain the methodology TNSP applied to provide the required information, including any assumptions TNSP made;
       4. explain, in circumstances where TNSP cannot provide input for a Variable using Actual Information and therefore must provide input using Estimated Information:
          1. why an estimate was required, including why it was not possible for TNSP to use Actual Financial Information or Actual Non-financial Information (as the case may be, depending on the information);
          2. the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is TNSP’s best estimate, given the information sought in this Notice.
    3. Prepare all information required under this Notice in a manner and form:
       1. that is in accordance with the requirements specified at Schedule 1;
       2. which:
          1. is in an electronic format;
          2. includes (where applicable) any underlying calculations and formulae;
          3. is not password protected; and
          4. is capable of text selection and a ‘copy and paste’ function being applied to it.
       3. that is readily available for inspection by, or submission to, the AER.
    4. Prepare, using a person(s) who satisfies the requirements of paragraph 2 of Appendix C, an Audit Report and Review Report(s) (as applicable) in accordance with the requirements of this Notice.

## MAINTAIN INFORMATION

* + 1. Maintain, from the date of this Notice, all information prepared under this Schedule 2.

# APPENDIX A: REGULATORY TEMPLATES

See attached Microsoft Excel Workbook titled: ‘[***AER Category Analysis data templates for transmission network service providers***](javascript:void(0);)***.xlsx’***

# APPENDIX B: STATUTORY DECLARATION

**NATIONAL ELECTRICITY STATE) LAW**

**SECTION 28M(d)**

**STATUTORY DECLARATION**

Commonwealth of Australia

STATUTORY DECLARATION

*Statutory Declarations Act 1959*

|  |  |
| --- | --- |
| *1 Insert the name, address and occupation of person making the declaration* | I,1  make the following declaration under the *Statutory Declarations Act 1959:* |
| *2 Set out matter declared to in numbered paragraphs* | 2   1. I am an officer, for the purposes of the *National Electricity (STATE) Law* (**NEL**), of NSP Name (ACN XXX XXX XXX), a regulated network service provider for the purposes of section 28D of the NEL. I am authorised by NSP Name to make this statutory declaration as part of the response of NSP Name (**TNSP**) to the Regulatory Information Notice dated 28 November 2013 (**Notice**) served on TNSP by the Australian Energy Regulator (**AER**). 2. Having had regard to the Notice, I say that the actual information provided in TNSP’s response to the Notice is, to the best of my information, knowledge and belief: 3. in accordance with the requirements of the Notice; and 4. true and accurate. 5. Where it is not possible to provide actual information to comply with the Notice, TNSP has, to the best of my information, knowledge and belief, for the purposes of complying with the Notice: 6. provided TNSP’s best estimate of the information in accordance with the requirements of the Notice; and 7. provided the basis for each estimate, including assumptions made and reasons why the estimate is the best estimate, given the information sought in the Notice. |
| *3 Signature of person making the declaration* | 3 |
| *4 Place*  *5 Day*  *6 Month* *and year* | Declared at 4 on 5 of 6  Before me, |
| *7 Signature of person before whom the declaration is made (see over)* | 7 |
| *8 Full name, qualification and address of person before whom the declaration is made (in printed letters)* | 8 |

*Note 1*   A person who intentionally makes a false statement in a statutory declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years — see section 11 of the *Statutory Declarations Act 1959*.

*Note 2*   Chapter 2 of the *Criminal Code* applies to all offences against the *Statutory Declarations Act 1959* — see section 5A of the *Statutory Declarations Act 1959*.

**A statutory declaration under the *Statutory Declarations Act 1959* may be made before–**

* + - * 1. a person who is currently licensed or registered under a law to practise in one of the following occupations:

|  |  |  |
| --- | --- | --- |
| Chiropractor | Dentist | Legal practitioner |
| Medical practitioner | Nurse | Optometrist |
| Patent attorney | Pharmacist | Physiotherapist |
| Psychologist | Trade marks attorney | Veterinary surgeon |

* + - * 1. a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described); or
        2. a person who is in the following list:

Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public

Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the *Consular Fees Act 1955*)

Bailiff

Bank officer with 5 or more continuous years of service

Building society officer with 5 or more years of continuous service

Chief executive officer of a Commonwealth court

Clerk of a court

Commissioner for Affidavits

Commissioner for Declarations

Credit union officer with 5 or more years of continuous service

Employee of the Australian Trade Commission who is:

(a) in a country or place outside Australia; and

(b) authorised under paragraph 3 (d) of the *Consular Fees Act 1955*; and

(c) exercising his or her function in that place

Employee of the Commonwealth who is:

(a) in a country or place outside Australia; and

(b) authorised under paragraph 3 (c) of the *Consular Fees Act 1955*; and

(c) exercising his or her function in that place

Fellow of the National Tax Accountants’ Association

Finance company officer with 5 or more years of continuous service

Holder of a statutory office not specified in another item in this list

Judge of a court

Justice of the Peace

Magistrate

Marriage celebrant registered under Subdivision C of Division 1 of Part IV of the *Marriage Act 1961*

Master of a court

Member of Chartered Secretaries Australia

Member of Engineers Australia, other than at the grade of student

Member of the Association of Taxation and Management Accountants

Member of the Australasian Institute of Mining and Metallurgy

Member of the Australian Defence Force who is:

(a) an officer; or

(b) a non-commissioned officer within the meaning of the *Defence Force Discipline Act 1982* with 5 or more years of continuous service; or

(c) a warrant officer within the meaning of that Act

Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants

Member of:

(a) the Parliament of the Commonwealth; or

(b) the Parliament of a State; or

(c) a Territory legislature; or

(d) a local government authority of a State or Territory

Minister of religion registered under Subdivision A of Division 1 of Part IV of the *Marriage Act 1961*

Notary public

Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public

Permanent employee of:

(a) the Commonwealth or a Commonwealth authority; or

(b) a State or Territory or a State or Territory authority; or

(c) a local government authority;

with 5 or more years of continuous service who is not specified in another item in this list

Person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made

Police officer

Registrar, or Deputy Registrar, of a court

Senior Executive Service employee of:

(a) the Commonwealth or a Commonwealth authority; or

(b) a State or Territory or a State or Territory authority

Sheriff

Sheriff’s officer

Teacher employed on a full-time basis at a school or tertiary education institution

# APPENDIX C: AUDIT AND REVIEW

**NATIONAL ELECTRICITY (STATE) LAW**

**SECTION 28M(e)**

**AUDIT AND REVIEW REQUIREMENTS**

## INFORMATION SUBJECT TO INDEPENDENT AUDIT OR REVIEW

* + 1. The information subject to independent audit or review is the:
       1. Actual Financial Information in the Microsoft Excel Workbook attached at Appendix A;
       2. Estimated Financial Information in the Microsoft Excel Workbook attached at Appendix A where TNSP certifies that it is not possible to provide actual historical information;
       3. Actual and Estimated Non-financial Information in the Microsoft Excel Workbook attached at Appendix A; and
       4. The Basis of Preparation prepared by TNSP in accordance with the requirements of this Notice and the Principles and Requirements in Appendix E.
    2. For each Subsequent Regulatory Year, the information subject to audit or review in paragraph 1.1 is that Regulatory Year only.

## CLASS OF PERSON TO CONDUCT AUDITS

* + 1. The audit or review of information (as applicable) referred to in paragraph 1.1(a) and 1.1(b) and those parts of paragraph 1.1(d) that relate to Financial Information must be conducted by a person who:
       1. is a registered company auditor who is a member of the Institute of Chartered Accountants Australia (CA or FCA) or of CPA Australia (CPA or FCPA) that holds a Certificate of Public Practice;
       2. is independent from TNSP and all of its Related Bodies Corporate ­– that is, not a principal, member, shareholder, officer, or employee of TNSP or its related entities;
       3. is appointed for the purposes of expressing an opinion or conclusion on the audit requirements outlined in detail in paragraph 3;
       4. has experience in conducting financial, performance, operation or quality assurance audits and conducting data sampling in the electricity industry;
       5. possesses relevant knowledge and experience in the electricity industry, engineering, IT systems, asset management or customer service as relevant to the audit or review;
       6. understands the procedures and methodologies underlying the data and the AER’s relevant definitions for all information; and
       7. if necessary, is available to discuss issues relating to the audits with TNSP and the AER, including where an Audit Report or Review Report is critical of, or highlights deficiencies in, the audited Financial Information and/or Non-financial Information.
    2. The review of information referred to in paragraph 1.1(c) and those parts of 1.1(d) that relate to Non-financial Information may be conducted by a person who:
       1. is not a registered company auditor or a member of the Institute of Chartered Accountants Australia (CA or FCA) or of CPA Australia (CPA or FCPA) and who does not hold a Certificate of Public Practice;
       2. is an assurance practitioner as defined in ASAE 3000 Assurance engagements other than audits or reviews of historical financial information; and
       3. otherwise satisfies the requirements of paragraphs 2.1(b) to (g).

## AUDIT AND REVIEW REQUIREMENTS

* + 1. Audits and reviews must be conducted in compliance with Australian Auditing and Assurance Standards, as developed by the Auditing and Assurance Standards Board.
    2. The audit of Actual historical Financial Information referred to in paragraph 1.1(a) and those parts of paragraph 1.1(d) that relate to Actual Financial Information must:
       1. comply with the Auditing Standard ASA 805 Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement; and
       2. the Audit Report must include an opinion as to whether or not the Financial Information provided is presented fairly in accordance with the requirements of this Notice and TNSP’s Basis of Preparation.
    3. The review of the Estimatedhistorical Financial Information referred to in paragraph 1.1(b) those parts of paragraph 1.1(d) that relate to Estimated Financial Information must:
       1. comply with the ASRE 2405 Review of Historical Financial Information Other than a Financial Report; and
       2. the Review Report must include a conclusion as to whether or not anything has come to the Auditor’s attention that causes it to believe that the estimated historical Financial Information is not, in all material respects, presented fairly in accordance with the requirements of this Notice and TNSP’s Basis of Preparation.
    4. The review of the Non-financial Information referred to in paragraph 1.1(c) and those parts of paragraph 1.1(d) that relate to Non-Financial Information must:
       1. comply with the ASAE 3000 Assurance engagements other than audits or reviews of historical financial information; and
       2. the Review Report must include a conclusion as to whether or not anything has come to the Auditor’s attention that causes it to believe that the historical Non-financial Information is not, in all material respects, presented fairly in accordance with the requirements of this Notice and TNSP’s Basis of Preparation.

# APPENDIX D: STATEMENT OF REASONS

**NATIONAL ELECTRICITY (STATE) LAW**

**SECTION 28K(1)(c)**

**STATEMENT OF REASONS**

This statement of reasons explains why the AER considers it reasonably necessary for the information described in this Notice to be provided, prepared and maintained in the manner and form specified.

Under clause 6A.31 of the NER, the AER must prepare and publish an annual benchmarking report to describe the relative efficiency of each transmission network service provider over a 12 month period. Further, under clauses 6A.6.6 and 6A.6.7 of the NER, the AER must have regard to benchmark operating expenditure and benchmark capital expenditure when assessing these types of expenditure.

Accordingly, the AER requires detailed information relating to TNSP and its regulated electricity network services to conduct benchmarking. Information detailing how the AER proposes to conduct and apply benchmarking and the reasons the AER requires the information in this Notice are contained in:

* the AER’s Expenditure Forecast Assessment Guidelines issues paper (December 2012);
* the AER’s explanatory statements for the draft and final Expenditure Forecast Assessment Guidelines for electricity transmission and distribution (August 2013 and November 2013); and
* the AER’s explanatory statement for the draft regulatory information notices for category analysis (December 2013).

These documents are available on the AER’s website at <http://www.aer.gov.au/node/18864> or http://www.aer.gov.au/node/21843.

We have considered the costs to NSPs of providing the information and consider they are outweighed by the social benefits. The explanatory statement for the final Expenditure Forecast Assessment Guideline (referred to above) contains detailed consideration of the costs and benefits.

Therefore, the AER considers that the information required by this Notice is reasonably necessary for the AER to perform its functions under chapter 6 of the NER.

# APPENDIX E: PRINCIPLES AND REQUIREMENTS

## GENERAL

* + 1. The Regulatory Accounting Statements must:
       1. be derived from the Statutory Accounts;
       2. be verifiable by reference to the Statutory Accounts;
       3. report the substance, over the form, of a transaction, taking into account all aspects, implications and expectations of and motivations for the transaction and that a group or series of transactions that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate;
       4. only include costs that are incurred in or relate to the provision of *prescribed transmission services*, *negotiated transmission services* and unregulated *transmission services*;
       5. be presented on a fair and consistent basis, from the accounting records that underlie its Regulatory Accounts, the costs, revenue, assets employed and liabilities that may be reasonably attributed to TNSP;
       6. in so far as is reasonably practicable, be prepared in accordance with the general rules and format, and use the accounting principles and policies applicable to the Statutory Accounts except as otherwise required by this Notice;
       7. be presented in an understandable manner, without sacrificing relevance or reliability;
       8. state fairly the financial position of TNSP;
       9. not be adjusted for inflation.
    2. When TNSP must make an estimate because it cannot populate the input cell with actual information, TNSP must demonstrate that it has provided the best estimate it can. In its basis of preparation, TNSP must explain why it could not use actual information, how TNSP derived the estimate and why it is TNSP’s best estimate.
    3. For each variable filled in in a *regulatory template*:
       1. Provide a Microsoft Excel workbook that reconciles and explains adjustments between the Statutory Accounts and the Regulatory Accounting Statements;
       2. explain from where the data was obtained (e.g. directly from TNSP’s internal systems or audited statutory accounts)
       3. provide the source base spread sheet or model that the data was obtained from unless this is not practical. Data in source spread sheets or models should be directly linked to the relevant *variables* in the *regulatory template* unless this is not practical in which case *variables* should be clearly cross referenced to the relevant cell of the base spread sheet or model. The data is to also state all assumptions used for real input cost escalations.
       4. explain the methodology TNSP applied to provide the requested data. This should include an explanation of how the data was derived from other sources where this was undertaken and any assumptions that were made in this process. This may be provided either in the *regulatory template*, or in the base spread sheet or model with a cross reference to the location of the explanation in the *regulatory template*.
    4. Actual capital and operating expenditure must be reconciled to TNSP’s statutory accounts. Where TNSP is not required to report its balance sheet in statutory accounts because it is part of a corporate group that reports this information at the corporate group level, TNSP must reconcile to the information reported at the corporate group level. Where reconciliation is at the corporate group level TNSP must:
       1. allocate statutory reported expenditures to TNSP and indicate the method of allocation;
       2. show calculations for any allocation; and
       3. indicate where any changes in allocation method or calculations have occurred in relation to the historical data and how these changes have been adjusted for in the use of the data.
    5. Where expenditure is reported multiple times across the *regulatory templates* this should be identified and netted off in the appropriate summary table in the *regulatory template* that most closely relates to TNSP’s regulatory accounts (e.g. overhead operating expenditure also reported in the non-network *regulatory template* should be reconciled using the expenditure reported in the relevant overhead expenditure *regulatory templates*). For example, in identifying double-counted expenditure in the Non-network and Connections and Customer Driven Works *regulatory templates* there are two separate total amounts in each respective *regulatory template*:
       1. total expenditure; and
       2. expenditure for reconciliation to total capex/opex.

TNSP must use similar tables in other *regulatory templates* and add columns or rows to facilitate this reconciliation where appropriate.

* + 1. All *historic opex* and *historic capex* provided to the AER in response to this Notice must be in nominal dollars, unless specified otherwise.
    2. TNSP must provide any calculations used to convert real to nominal dollars or nominal to real dollars for the purposes of providing the information required under clauses 1.6 above.
    3. Where any method of allocation under paragraph 3 changes through time this must be reported and the materiality of the change must be indicated in the basis of preparation.

## BASIS OF PREPARATION

* + 1. TNSP must explain, for all information in the category data (historic) *regulatory templates* the basis upon which TNSP prepared information to populate the input cells (basis of preparation).
    2. The basis of preparation must be a separate document (or documents) that TNSP submits with its completed *regulatory templates*.
    3. The basis of preparation must follow a logical structure that enables auditors, assurance practitioners and the AER to clearly understand how TNSP has complied with the requirements of this *Notice*.
    4. At a minimum, the basis of preparation must:
       1. demonstrate how the information provided is consistent with the requirements of the *Notice*;
       2. explain the source from which TNSP obtained the information provided;
       3. explain the methodology TNSP used to provide the required information, including any assumptions TNSP made; and
       4. explain circumstances where TNSP cannot provide input for a variable using actual information, and therefore must use an estimate:
          1. why an estimate was required, including why it was not possible for TNSP to use actual information;
          2. the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is TNSP’s best estimate, given the information sought in the *Notice*.
    5. For financial information (actual or estimated) the relevant basis of preparation must explain:
       1. any instance where the information provided in response to the *Notice* does not comply with the financial reporting framework for that financial information
       2. why the information could not be presented in accordance with the financial reporting framework
       3. if accounting policies adopted by TNSP have materially changed during any of the regulatory years covered by the *Notice*:
          1. the nature of the change; and
          2. the impact of the change on the information provided in response to the *Notice*.
    6. TNSP may provide additional detail beyond the minimum requirements if TNSP considers it may assist a user to gain an understanding of the information presented in the *regulatory templates*.
    7. When reporting an audit opinion or making an attestation report on the *regulatory templates* presented by TNSP, an auditor or assurance practitioner shall opine or attest by reference to TNSP’s basis of preparation.

## COST ALLOCATION

* + 1. All costs that relate to or are incurred in the provision of *transmission services* in the Statutory Accounts must be allocated to TNSP in accordance with paragraph 3.2.
    2. All costs allocated to TNSP in the response to paragraph 3.1 must be in turn allocated in accordance with paragraph 3.3 to:
       1. a prescribed transmission service;
       2. a negotiated transmission service; or
       3. an unregulated transmission service.
    3. A cost that is:
       1. directly attributable to TNSP is to be allocated to TNSP;
       2. not directly attributable to TNSP is to be allocated to TNSP on a causation basis, unless the item is not material, using an appropriate allocator;
       3. directly attributable to TNSP but not directly attributable to a *prescribed transmission service*, a *negotiated transmission service* or an unregulated *transmission service* is to be allocated across *transmission services* in accordance with the *Cost Allocation Method*;
       4. a Fixed Asset is to be allocated to an Asset Category on a directly attributable basis or a causation basis using an appropriate allocator; and
       5. an Operating Cost or a Maintenance Cost is to be allocated to an Activity Area on a directly attributable basis or a causation basis using an appropriate allocator.

## LABOUR COST INFORMATION

* + 1. When providing information on *labour costs* in *regulatory templates* 2.2 to 2.8, the following instructions apply:
       1. TNSP must complete all of the tables provided in each *regulatory template*.
       2. All *Labour Costs* reported in the given category of expenditure must be reported in the table relevant to each *capex category* and *opex category*.
       3. Labour used in the provision of contracts for both goods and services, other than contracts for the provision of labour (i.e. labour hire contracts) must not be reported in these tables. This labour does not fall within our definition of *Labour Costs*. However, *Labour Costs* associated with the management of contracts for the provision of goods and services must be reported in these tables.
       4. TNSP must, as a minimum, break down labour data (both employees and labour contracted through labour hire contracts) into appropriate *Classification Levels* that reflects its workforce and which reflect significant ordinary wage cost differences between workers across its workforce. TNSP must explain how it has grouped workers into *Classification Levels*.
       5. TNSP may group employees within similar employment levels and with similar ordinary wage costs for the purposes of defining a given *Classification Level*. TNSP must explain how it has grouped workers for the purposes of defining a given *Classification Level*
       6. Labour obtained through labour hire contracts must be reported separately on separate lines to employee based labour. TNSP may group labour obtained through labour hire contracts within similar employment levels with similar ordinary wage costs for the purpose of defining a given *Classification Level*.
       7. The total cost of labour, and each sub component of Labour Costs in the tables must equal the actual Labour Costs associated with the expenditure category and reported in the expenditure *regulatory template*.
       8. Quantities of labour, expenditure, or stand down periods should not be reported multiple times across tables except in the case where expenditure generally is reported multiple times (for example, this will be the case for opex reported in the non-network *regulatory template*). Any multiple reporting in the tables across *regulatory templates* should equal multiple reporting of expenditure across *regulatory templates*.
       9. The ASLs for each *Classification Level* must reflect the ASLs for each *Classification Level* over the course of the year. TNSP may estimate this using a method they consider is not significantly biased.
       10. ‘Per ASL’ values are average values per ASL in each *Classification Level*. For example, the total ordinary hours paid per ASL would equal the total payments for ordinary hours paid in the Classification Level divided by the number reported in *Annual Totals – ASLs* for the *Classification Level* (i.e. the number of ASLs in the *Classification Level*).
       11. Stand down periods must be allocated to the expenditure area causing the Stand Down Period. For example, if a stand down period occurs due to emergency maintenance, that results in a worker starting a repex line work shift later than scheduled, the Stand Down Period should be reported in the emergency maintenance category.
       12. TNSP must explain any assumptions or estimation made in order to complete the labour tables.

## REPLACEMENT CAPITAL EXPENDITURE (*Regulatory Template* 2.2)

* + 1. General:
       1. Complete tables 2.2.1 to 2.2.4 (in *regulatory template* 2.2) as per their respective instructions
       2. The definitions of the specific items of information TNSP must provide for each table is contained in Appendix F.
    2. Table 2.2.1 instructions:
       1. TNSP must input the required information for each asset category by the relevant year as specified by the table.
       2. In instances where TNSP wishes to provide asset sub-categories below those specified asset categories in table 2.2.1, TNSP must ensure that the expenditure and replacement / failures volumes of these sub-categories reconcile to the higher level asset category. TNSP is required to insert additional rows and provide a clear indication of the asset category applicable to each sub-category.
       3. In instances where TNSP considers that asset group categories do not account for an asset TNSP’s network, TNSP must insert additional rows below the relevant asset group to account for this. TNSP must provide the required data, applying a high level descriptor of the asset as the category name. This requirement is illustrated by the category assets titled “OTHER - PLEASE ADD A ROW AND SPECIFY”.
       4. TNSP must ensure that the sum of the individual asset categories, including any additional or sub-category expenditure reconciles to the total expenditure of the asset group.
       5. TNSP must ensure that the sum of the asset group replacement expenditures reconciles to total replacement expenditure.
       6. Where TNSP provides information in rows for total volumes only (for example, by “conductor length material type” and “reactive capacity replaced by plant function”) it must explain how it has determined these volumes. This explanation should cover the process and assumptions used to allocate asset volumes to these aggregated metrics.
    3. Table 2.2.2 instructions:
       1. TNSP must input the total replacement expenditure for each asset group split by the groupings specified by the table.
       2. TNSP must ensure that the sum of the asset group replacement expenditures reconciles to total replacement expenditure.
    4. Table 2.2.3 instructions:
       1. TNSP must input the total replacement internal labour costs split by the groupings specified by the table.
       2. TNSP must ensure that the sum of the total replacement internal labour costs reconciles to total direct labour costs provided in table 2.2.2.
    5. Table 2.2.4 instructions:
       1. TNSP must ensure that the total actual expenditure that this table auto-fills is correct.

## ASSET AGE PROFILE (Regulatory Template 4.1)

* + 1. General:
       1. Complete table 4.1.1 (in *regulatory template* 5.2) as per its respective instructions.
       2. The definitions of the specific items of information TNSP must provide for this table is contained in Appendix F.
       3. In instances where TNSP wishes to provide asset sub-categories in addition to the specified asset categories in table 4.4.1, TNSP is required to provide a weighted average asset life, including mean and standard deviation that reconciles to the specified asset category in accordance with the following formula:

where:

*n is the number of sub-categories to reconcile with the asset category*

*asset values are determined by the asset category's contribution to the current replacement cost of the network. This being the most recent per unit cost of replacement for each asset, multiplied by the number of those assets in service and reported in the "asset age" schedule.*

## AUGEX PROJECT DATA (*Regulatory Template* 2.3)

* + 1. General instructions:
       1. Complete tables 2.3.1 to 2.3.4 as per their respective instructions.
       2. The instructions for each table contain definitions specific for each table. Appendix F contains definitions that are applicable to multiple tables within this tab.
       3. TNSP must not include *augmentation* information relating to new connections in this worksheet. *Augmentations* in relation to connections are to be inputted in the connections *regulatory template* (worksheet 2.4).
    2. Table 2.3.1 instructions:
       1. For projects with a total cumulative expenditure over the life of the project of greater than or equal to $5 million (real $20xx):
          1. insert a row for each augmentation project on a substation owned and operated by TNSP undertaken at any time during the years specified in table 2.3.3 of *regulatory template* 2.3; and
          2. input the required details.
       2. For projects with a total cumulative expenditure over the life of the project less than $5 million (real $20xx) (non material projects):
          1. input the total expenditure for all non material augmentation projects on a substation owned and operated by TNSP undertaken in the years specified in table 2.3.3 of *regulatory template* 2.3in the penultimate line in the table, as indicated.
       3. Record all expenditure data on an 'as commissioned' basis in real dollars as described above. Hence, TNSP must not include data for augmentation works to be commissioned after 30 June 2013 but incurs expenditure prior to this date.
       4. For the avoidance of doubt, this includes augmentation works on any substation in TNSP's network, including those which are notionally operating at distribution voltages. In such cases, choose 'Other - specify' in the 'Substation type' category and describe the type of substation in the 'Comments' section.
       5. Each row must represent data for an augmentation project for an individual substation.
       6. Where a substation augmentation project in this table is related to other projects (including those in other tables in *regulatory template* 2.3), describe this relationship in the 'Comments' column.
       7. Where TNSP chooses 'Other - specify' in a drop down list, it must provide details in the 'Comments' column.
       8. For 'Substation ID' and 'Project ID', input TNSP’s identifier for the substation and project, respectively. This may be the substation/project name, location and/or code.
       9. For substation voltages, enter voltages in the format xx/xx, reflecting the primary and secondary voltages. For example, a transformer may have its voltage recorded as 500/275, where 500kV is the primary voltage and 275kV is the secondary voltage.
          1. Where a tertiary voltage is applicable, enter voltages in the format xx/xx/xx. For example, a transformer may have its voltage recorded as 220/110/33, where 220kV, 110kV and 33kV are the primary, secondary and tertiary voltages, respectively.
       10. For substation ratings, 'Pre' refers to the relevant characteristic prior to the augmentation work; 'Post' refers to the relevant characteristic after the augmentation work. Where a rating metric does not undergo any change, or where the project relates to the establishment of a new substation, input the metric only in the 'Post' column.
       11. Unless otherwise indicated, 'Rating' and ‘MVA added’ refers to equipment's normal cyclic rating.
       12. Under 'Total expenditure' for transformers, switchgear, capacitors, and other plant items, include only the procurement costs of the equipment. This must not include installation costs.
       13. Insert additional rows as required.
       14. Definitions: Other plant item
           1. All equipment involved in utilising or transmitting electrical energy that are not transformers, switchgear, or reactive plant.
           2. This may include voltage transformers, current transformers, communications and busbar.
    3. Table 2.3.2 instructions:
       1. For projects with a total cumulative expenditure over the life of the project of greater than or equal to $5 million (real $20xx):
          1. insert a row for each augmentation project on a line owned and operated by TNSP undertaken at any time during the years specified in table 2.3.3 of *regulatory template* 2.3; and
          2. input the required details.
       2. For projects with a total cumulative expenditure over the life of the project less than $5 million (real $20xx) (non material projects):
          1. input the total expenditure for all non material augmentation projects on lines owned and operated by TNSP undertaken in the years specified in table 2.3.3 of *regulatory template* 2.3 in the penultimate line in the table, as indicated.
       3. Record all expenditure data on an 'as commissioned' basis in real dollars as described above. Hence, TNSP must not include data for augmentation works commissioned after 30 June 2013 but incurs expenditure prior to this date.
       4. For the avoidance of doubt, this includes augmentation works on any line in TNSP’s network, including those which are notionally operating at distribution voltages. In such cases, describe the type of line in the ‘Comments’ section.
       5. Each row should represent data for an augmentation project for an individual circuit.
       6. Where a lines augmentation project in this table is related to other projects (including those in other tables in *regulatory template* 2.3), describe this relationship in the 'Comments' column.
       7. Where TNSP chooses 'Other - specify' in a drop down list, provide details in the 'Comments' column.
       8. For 'Line ID' and 'Project ID', input TNSP’s identifier for the line and project, respectively. This may be the line/project name, location and/or code.
       9. Where a project includes a number of project types, choose the primary project type and note other project types in the Comments column.
       10. For *line* ratings, 'Pre' refers to the relevant characteristic prior to the *augmentation* work; 'Post' refers to the relevant characteristic after the *augmentation* work. Where a *line* rating does not undergo any change, or where the project relates to the establishment of a new *line*, input the metric only in the 'Post' column.
       11. Unless otherwise indicated, 'Rating' refers to equipment's *normal cyclic* rating.
       12. For line length metrics, 'km added' refers to the gross addition of the relevant line length measure resulting from the augmentation work. This must not be net of line removal. If the augmentation project includes line removal, describe the amount in the 'Comments' column.
       13. Under 'Total expenditure' for towers/poles, include the procurement costs of the equipment and civil works. This must not include installation costs.
       14. Under 'Total expenditure' for lines and ‘other plant item’, include only the procurement costs of the equipment. This must not include installation costs.
       15. Under 'Total expenditure' for civil works, do not include civil works expenditure related to towers.
       16. Insert additional rows as required.
       17. Definitions: Other plant item
           1. All equipment involved in utilising or transmitting electrical energy that are not towers/poles (including pole top or tower structures), or lines.
           2. This may include cable termination, cable transition and line diversion.
    4. Table 2.3.3 instructions:
       1. TNSP must input the total *augmentation* expenditure for each asset group split by the groupings specified by the table.
       2. TNSP must explain how the sum of the asset group *augmentation* expenditures reconciles to the augmentation expenditure in tables 2.3.1 and 2.3.2.
    5. Table 2.3.4 instructions:
       1. TNSP must input the total *augmentation* internal labour costs split by the groupings specified by the table.
       2. TNSP must explain how the sum of the total *augmentation* internal labour costs reconciles to total direct labour costs provided in tables 2.3.1 and 2.3.2.

## MAXIMUM DEMAND

**Network level** (*regulatory template* 4.2)

* + 1. Input maximum demand information at the network level in tables 4.2.1 and 4.2.2.
    2. Where maximum demand in MVA occurred at a different time to maximum demand in MW, TNSP must enter maximum demand figures for both measures at the time maximum demand in MVA occurred.
    3. If either the MW or MVA measure is unavailable, calculate the power factor conversion as an approximation based on best engineering estimates.

**Spatial** (*regulatory template* 4.3)

* + 1. In table 4.3.1, TNSP must input maximum demand information for connection points.
       1. TNSP must insert rows into the tables for each of its *connection points*.
    2. If TNSP uses more than one level of spatial demand information to derive its expenditure forecasts, it must provide such spatial demand information in separate tables as indicated by table 4.3.2.
    3. Where maximum demand in MVA occurred at a different time to maximum demand in MW, TNSP must enter maximum demand figures for both measures at the time maximum demand in MVA occurred.
    4. If either the MW or MVA measure is unavailable, calculate the power factor conversion as an approximation based on best engineering estimates.
    5. TNSP must input the *connection point* rating. For tables 4.3.1 and 4.3.2, rating refers to normal cyclic rating.
    6. TNSP must enter figures only in yellow-shaded cells.
    7. Tables requesting system coincident data are referring to the demand at that particular point on the network (e.g. transmission *connection point*) at the time of system (or network) peak.
       1. For example, table 4.3.1(b) requests information about the maximum demand on transmission *connection points* at the time of system or network peak.
       2. Conversely*, non coincident* data is the maximum demand at a particular point on the network (which may not necessarily coincide with the time of system peak). For example, table 4.3.1(a) requests information about non-coincident maximum demand at the transmission *connection points*. In table 4.3.1(a), TNSP must provide information about the maximum demand at each transmission *connection point* in each year, which may not correspond to demand at the time of system peak.
    8. Note on 'Adjustments':
       1. This data is intended to account for components of the load on TNSP’s network that may bias demand forecasts if not properly accounted for.
       2. For example, it is common practice for direct connect customers to provide their own demand forecasts for assessment. It is therefore common practice to exclude such customers from demand forecasting to avoid double counting.

## NON-NETWORK EXPENDITURE

* + 1. Identify key volume/cost drivers and report metrics for these and their relationship to historical expenditure. Add columns as required to report volume/cost drivers.
    2. Enter the volume measure most material to the direct costs reported in the leftmost volume/cost driver column in the *regulatory template*. Add the next most material volume/cost driver immediately to the right of this column and so on. Add columns for additional volume/cost drivers as required.
    3. Insert an explanation of expenditure and volume/cost drivers. This explanation must be sufficient to allow a lay reader to understand:
       1. the nature of the metric; and
       2. the relationship of the metric to expenditure.
    4. Where volume/cost drivers are identified, for example number of devices, report quantitative measures relating the volume/cost driver to cost.
    5. If expenditure is directly attributable to an expenditure category in this *regulatory template* (except for some Other Non-network Expenditure discussed below), it is a Direct Cost. Report all Direct Costs (both opex and capex) irrespective of whether a Direct Cost is a Corporate Overhead, or a Network Overhead. This will result in multiple reporting of all opex overheads reported in this *regulatory template* (e.g. vehicle operating costs).
    6. Report Direct Costs in only one Direct Cost expenditure category. For example, if TNSP records Direct Costs in Motor Vehicle Expenditure, do not also record the same costs in Connection Expenditure.

**Volume/cost driver information hypothetical examples**

* + 1. The hypothetical examples below for Motor Vehicle Expenditure show the required level and type of volume/cost driver information and explanation for each category of expenditure in the Non-network regulatory template. As noted above, in addition to the level of information below, we require TNSP to report the quantitative volume cost relationships. We have deliberately not specified the volume/cost drivers. TNSP must report the volume/cost drivers it considers most closely relate to its expenditure.

**Motor Vehicle hypothetical volume/cost driver examples:**

* + - 1. In relation to opex where all motor vehicles are purchased, the key volume/cost driver metrics may be the number of motor vehicles in the fleet (explaining fixed operating expenditure per vehicle per annum), the kilometres travelled per motor vehicle in the fleet (explaining variable operating expenditure per motor vehicle per annum) and the fleet kilometres travelled (explaining the number of vehicles required).
      2. In relation to opex where all motor vehicles are leased, the key volume/cost driver metrics may be the number of motor vehicles in the fleet, the kilometres travelled per motor vehicle in the fleet and the fleet kilometres travelled.
      3. In relation to opex where some motor vehicles are purchased and some motor vehicles are leased, the key volume/cost driver metrics may be the number of motor vehicles leased (explaining fixed lease expenditure per leased vehicle per annum), the number of motor vehicles in the fleet (explaining fixed operating expenditure per vehicle per annum), the kilometres travelled per motor vehicle in the fleet (explaining variable operating expenditure per motor vehicle per annum) and the fleet kilometres travelled (explaining the number of vehicles required).
      4. In relation to capex purchases, the key volume/cost driver metric may be the number of motor vehicles purchased (with the average cost per motor vehicle likely explaining the cost driver relationship) and the fleet kilometres travelled (explaining the number of vehicles required)
      5. In relationship to capex disposals, the key volume/cost driver metric may be the number of motor vehicles disposed of (with the average sale disposal value per vehicle, average age and average kms on sale likely explaining the disposal value driver relationship) and the number of fleet kilometres travelled (explaining the number of vehicles requiring replacement).
    1. Explain, both qualitatively and quantitatively, the relationship between expenditure and the volume/cost drivers TNSP identifies as key volume/cost drivers in the relevant columns of the *regulatory template*. This must include an estimate of the quantitative relationship.
    2. Report if there is any overlap between existing Variables requested in the *regulatory template* (e.g. kilometres travelled per vehicles) and the drivers TNSP considers drives costs as reported in clause 9.8; the drivers should still be reported in the volume/cost driver columns (i.e. in both places).
    3. Where a requested value is not constant across a year, calculate an approximate simple average based on the different values over the year and the period for which the different values applied. For example, if TNSP had 12 vehicles for 8 months and 14 vehicles for 4 months, the average vehicles in the class over the year would be 12\*(8/12) + 14\*(4/12) = 12.67 vehicles.
    4. Insert additional rows and columns as required to follow the above instructions (e.g. to add volume/cost drivers, or for the purposes of reconciliation).
    5. Add additional columns and rows to disaggregate cost categories as TNSP considers required. However, such disaggregated expenditure data must sum up to the expenditure level we require reported in the *regulatory template*.
    6. If TNSP has incurred $1,000,000 or more (nominal dollars) in capital expenditure over the last five regulatory years for which regulatory accounts have been lodged with the AER for a class of assets, report, for that class of assets:
       1. all historical expenditure;
       2. operating expenditure; and

in ‘Other Non-Network Expenditure’.

* + 1. If TNSP has incurred less than $1,000,000 (nominal dollars) in capital expenditure over the last five regulatory years for which regulatory accounts have been lodged with the AER for a class of assets:
       1. report only historic capital expenditure for that class of assets in *Other Non-Network Expenditure*; and
       2. only record operating expenditure in the relevant operating expenditure category *regulatory template.*

## MAINTENANCE EXPENDITURE

* + 1. Indicate, in the basis of preparation, how internal expenditure categories are mapped to those in the *regulatory templates*.
    2. Report expenditure using the Maintenance expenditure subcategories used for the most recent information guidelines. Report these in the *regulatory templates* as subcategories under either Routine Maintenance or Non-Routine Maintenance.
    3. Do not include allocated overheads/ shared costs in expenditure data. Expenditure data is for Direct Costs only.
    4. For expenditure incurred for the simultaneous inspection of assets and vegetation, report this expenditure under Maintenance, not Vegetation Management.
    5. Add additional rows and columns as required.

## VEGETATION MANAGEMENT EXPENDITURE

**Nomination of vegetation management zones**

* + 1. Identify one or more *vegetation management zones* across the geographical area of TNSP’s network. To do so consider:
       1. areas where bushfire mitigation costs are imposed by legislation, regulation or ministerial order; and
       2. areas of the network where other recognised drivers affect the costs of performing *vegetation management* work.
    2. Each contiguous area nominated by TNSP as a *vegetation management zone*.
    3. Accordingly, each part of the network will be covered by one *vegetation management zone* (only).
    4. Provide, on separate A4 sheets, maps showing:
       1. each vegetation management zone; and
       2. the total network area with the borders of each *vegetation management zone*.
    5. Fill in tables in 2.6.1 to 2.6.7 (on *regulatory template* 2.6) for each *vegetation management zone*, adding additional tables where required.
    6. To add a *vegetation management zone* on *regulatory template* 2.6, insert the tables contained within the box for the first *vegetation management zone* to the right of the first *vegetation management zone*.

**Regulatory requirements table**

* + 1. For each *vegetation management zone* identified in 11.1 above:
       1. prepare in table 2.6.1 (on *regulatory template* 2.6), a list of regulations that impose a material cost on performing *vegetation management* works (including, but is not limited to, bushfire mitigation regulations); and
       2. prepare in table 2.6.2 (on *regulatory template* 2.6), a list of self-imposed standards from TNSP’s *vegetation management* program which apply to that zone.
    2. Explain the cost impact of regulations on performing *vegetation management* work. This explanation can be part of the list of regulations or a separate document).
    3. Fill out this table once for each nominated *vegetation management zone*.

**Vegetation management metrics table**

* + 1. In table 2.6.3 (on *regulatory template* 2.6), report the requested vegetation management metrics in accordance with the categories and definitions provided.
    2. If TNSP records poles and towers rather than spans, the number of spans is the number of poles and towers less one.
    3. If TNSP does not record the average number of trees per *maintenance span*, estimate this variable using one or a combination of the following data sources:
       1. Encroachment *defects* (e.g. identified by ground or aerial inspections, or LiDAR) and/or records of vegetation works scoping, or GIS vegetation density data;
       2. Field surveys using a sample of *maintenance spans* within each vegetation management zone to assess the number of mature trees within the maintenance corridor. Sampling must provide a reasonable estimate and consider the nature of *maintenance spans* in *urban* versus *rural* environments in determining reasonable sample sizes.
       3. Vegetation data such as:
          1. the Normalised Difference Vegetation Index (NDVI) and maps available from the Bureau of Meteorology (BOM);
          2. data from the National Vegetation Information System (VIS data) overlaid on network GIS data to assess the density of vegetation in the direct vicinity of the maintenance spans; or
          3. similar data from other sources such as Geoscience Australia or commercial suppliers of satellite imagery overlaid on network GIS data records.
       4. Any other data source based on expert advice.
       5. If the figure TNSP produced for average number of trees per *maintenance span* in 11.12 above was estimated, explain how the figure was estimated.
    4. If TNSP performs *vegetation management* work on multiple *cutting cycles* in *urban*, *rural* or *sub-transmission* areas within its nominated *vegetation management zones*, provide a simple average of all the *cutting cycles* in the relevant area.

**Vegetation management costs table**

* + 1. In table 2.6.4 (on *regulatory template* 2.6), report *vegetation management* work costs performed in accordance with the categories and definitions provided.
    2. Do not include the costs of inspections unless an *inspection* was performed solely for the purpose of assessing vegetation. Include *inspection* costs for inspections with additional purposes to assessing vegetation under maintenance (*regulatory template* 2.7).
    3. If auditing *vegetation management* work costs are not recorded separately, include these costs within *inspection* costs.

**Other cost categories table**

* + 1. Annual *vegetation management* costs across all categories and zones must sum up to the total *vegetation management* expenditure each year. In table 2.6.5 (on *regulatory template* 2.6), add any other costs not requested in any other part of *regulatory template* 2.6 in TNSP’s estimate of total annual *vegetation management* costs.

**Vegetation management input and contract costs – breakdown table**

* + 1. In table 2.6.6 (on *regulatory template* 2.6), report *vegetation management* input and contract costs in accordance with the categories and definitions provided.

**Unplanned vegetation events table**

* + 1. In table 2.6.7 (on *regulatory template* 2.6), fill out the *unplanned vegetation events* table once, providing the requested information across TNSP’s entire network.

**Total vegetation management – internal labour costs table**

* + 1. Fill out table 2.6.8 (on *regulatory template* 2.6) once for overall *vegetation management* internal labour costs. This table should not be split out by each nominated *vegetation management zone*.

## OVERHEADS EXPENDITURE

* + 1. Ensure expenditure on items:
       1. is consistent with TNSP’s cost allocation method and capitalisation policy
       2. reconciles to TNSP’s regulatory accounts and statutory accounts.
    2. Set out any additional working calculations used to derive data that are allocated into particular columns in:
       1. the basis of preparation; and/or
       2. supporting worksheets.
    3. Continue using the expenditure subcategories—other than maintenance, emergency response or vegetation management—used for the most recent information guidelines. However, report expenditure under either Network Overhead or Corporate Overhead.
    4. Report Network Overhead expenditure as either Maintenance Support, Network Monitoring & Control or Asset Management (overhead categories).
    5. Do not count expenditure in overhead categories in other regulatory templates for the purposes of reconciliation. For example, overhead opex recorded here and in the non-network regulatory template must reconcile using only the data in this regulatory template.
    6. If there is any overhead expenditure that is capitalised:
       1. indicate the value of overhead expenditure that is capitalised;
       2. indicate why it is capitalised;
       3. re-cast historical expenditure (if capitalisation policy changes during a regulatory period); and
       4. explain how the change affects historical data on which the AER relies for expenditure category analysis.
    7. Add additional rows or columns as required.

## REGULATORY ACCOUNTING PRINCIPLES AND POLICIES

* + 1. The Regulatory Accounting Principles and Policies must:
       1. be based on a recognisable and rational economic basis;
       2. ensure that the resultant financial information satisfies the concepts of relevance and reliability;
       3. ensure that the substance of the underlying transactions and events is reported in the Regulatory Accounting Statements;
       4. ensure that the Regulatory Accounting Statements can be understood;
       5. allow for comparisons to be made over time; and
       6. conform to the recognition and measurement principles of the Australian Accounting Standards.

# APPENDIX F: DEFINITIONS

|  |  |
| --- | --- |
| Term | Definition |
| *Actual Capex* | The actual capital expenditure incurred during the Initial Regulatory Years |
| *Actual Information* | Information presented in response to the Notice whose presentation is Materially dependent on information recorded in TNSP's historical accounting records or other records used in the normal course of business, and whose presentation for the purposes of the Notice is not contingent on judgments and assumptions for which there are valid alternatives, which could lead to a Materially different presentation in the response to the Notice.  ‘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 TNSP’s regulatory accounts and responses to the Notice. '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. |
| *Actual Opex* | The actual operating and maintenance expenditure incurred during the Initial Regulatory Years |
| *AER* | The Australian Energy Regulator, which is established by section 44AE of the Competition and Consumer Act 2010 (Cth) (as defined in the NER). |
| *Annual allowances - total per ASL* | The average allowances paid over the year per ASL in each Classification level (shift allowances, meal allowances, site allowances etc.) |
| *Annual ordinary time hours costs - average hourly rate per ASL* | The year’s average hourly rate per ASL for each Classification level including labour costs that are direct on costs related to Labour costs – ordinary time earnings. TNSP should indicate what costs are included in each category (1) to (3) directly below. The average hourly wage rate for each year should be calculated by reference to the average number of hours paid as Labour costs – ordinary time earnings for each year and includes costs that are:  (1) Ordinary time salaries and wages in the year  (2) Labour costs – other earnings, on costs, and taxes that are directly related to ordinary time salaries and wages in the year but excluding allowances (shift allowances, meals allowances, site allowances etc.) which are to be captured separately below.  (3) Labour costs – super that are directly related to ordinary time salaries and wages in the year. |
| *Annual ordinary time hours costs - total paid hours per ASL* | The average paid hours per year per ASL in each Classification level that are Labour costs – ordinary time earnings and includes hours paid that are not expected to be worked (e.g. sick leave, holiday leave, long service leave) |
| *Annual other costs – total per ASL* | The average other costs that are Labour costs – other earnings, on costs and taxes that the businesses does not consider are direct on costs paid over the year per ASL in each Classification level. |
| *Annual overtime hours costs - average hourly rate per ASL* | The year’s average hourly rate per ASL for each Classification level including labour costs that are direct on costs related to working overtime hours. TNSP should indicate what costs are included in each category (1) to (3) directly below. The average hourly wage rate should be calculated by reference to the average number of hours paid as overtime and includes costs that are:  (1) Overtime salaries and wages in the year  (2) Labour costs – other earnings, on costs, and taxes that are directly related to overtime salaries and wages in the year but excluding allowances (e.g. shift allowances, meals allowances, site allowances etc) which are to be captured separately below.  (3) Labour costs – super that are directly related to overtime salaries and wages in the year. |
| *Annual overtime hours costs - total paid hours per ASL* | The average overtime hours for the year paid per ASL for each Classification level per year. Overtime hours are hours where the employee receives more per hour than their ordinary time wages.  Note: average overtime hours paid in year X for a given ASL plus average ordinary hours paid in year X should equal average total hours paid in year X. |
| *Annual stand down occurrences – total per ASL* | The average number of Stand Down Periods per ASL in each Classification Level over the year |
| *Annual totals - ASLs* | The number of full-time equivalent employees receiving salary or wages (Paid FTE) by the organisation in a given Classification level averaged over the financial year. |
| *Annual totals - average paid hours not worked.* | The average paid hours for the year per ASL in each Classification level that are not worked (e.g. sick leave, holiday leave, long service leave). |
| *Annual totals – total labour costs* | The total Labour Costs associated with the total ASLs in a given Classification level |
| *ASL* | Average Staffing Level |
| *Asset* | A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity |
| *Audit* | A service where the auditor’s objective is to provide a high level of assurance through: the issue of a positive expression of an opinion that enhances the credibility of a written assertion(s) about an accountability matter (“attest audit”); or the provision of relevant and reliable information and a positive expression of opinion about an accountability matter where the party responsible for the matter does not make a written assertion(s) (“direct reporting audit”). |
| *audit report* | A report provided by an auditor for an audit engagement, prepared in accordance with Australian Auditing Standards. |
| *Audited statutory accounts* | The audited set of accounts prepared in accordance with Australian Securities and Investments Commission (ASIC) requirements. |
| *auditor* | The person with final responsibility for the audit or audit related service engagement that is independent from the entity, appointed to express an opinion on an accountability matter |
| *Average* | An arithmetic (simple) average unless a weighted average is specified. |
| *Basis of Preparation* | The basis upon which TNSP prepared information to populate the input cells in the Microsoft Excel workbook attached at Appendix A. |
| *Capex* | Capital expenditure |
| *Capex Category* | Capital expenditure associated with the following categories:   * Augmentation Capital expenditure; * Capitalised Overheads; * Connections Capital expenditure; * Non-Network—IT & Communications Expenditure; * Non-Network—Buildings and Property Expenditure; * Non-Network—Motor Vehicles Expenditure; or * Non-Network—Other Expenditure. * Replacement Capital expenditure * SCADA & Network Control Expenditure. |
| *Capitalisation* | The recognition of expenditure as part of the cost of an asset, i.e. as capital expenditure |
| *Capitalised overheads* | Overhead expenditure recognised as part of the cost of an asset, i.e. as capital expenditure |
| *Classification level* | The break down of ASLs by classification levels within the organisation. (e.g. an NSP might have network classifications such as supervisor, linesman, apprentice, and non-network levels such as senior manager, manager, professional engineer, and administration) |
| *Contract* | An agreement between two or more parties that has clear economic consequences that the parties have little discretion to avoid, usually because the agreement is enforceable at law. A contract may take a variety of forms and need not be in writing. For the purpose of this *Notice*, Contract includes any contract, arrangement or understanding between TNSP and the contractor. |
| *Contractor* | An outside agent employed by TNSP to perform a specific task rather than TNSP performing the same task in-house, in accordance with a contract entered into with TNSP usually following a competitive process for the awarding of the right to enter into that contract. A contractor can be either a related party or a non-related party to TNSP. |
| *Direct Costs* | Operating or capital expenditure directly attributable to a work activity, project or work order. Consists of in-house costs of direct labour, direct materials and other attributable costs.  Excludes any allocated overhead. |
| *Direct labour costs* | *Labour* *costs* attributable to a specific asset or service, cost centre, work activity, project or work order |
| *Direct materials* | Materials are the raw materials, standard parts, specialised parts and sub-assemblies required to assemble or manufacture a network/non-network asset or to provide a network/non-network service. Direct materials costs are attributable to a specific asset or service, cost centre or work order, and exclude materials under external-party contracts.  Includes:   * The cost of scrap * Normally anticipated defective units that occur in the ordinary course of the production process * Routine quality assurance samples that are tested to destruction * The net invoice price paid to vendors to deliver the material quantity to the production facility or to a point of free delivery. |
| *Documents* | Includes correspondence, notices, circulars, memoranda, minutes, notes, reports, contracts or agreements in the possession, power or control of TNSP. |
| *Estimated Information* | Information presented in response to the Notice whose presentation is not materially dependent on information recorded in TNSP’s historical accounting records or other records used in the normal course of business, and whose presentation for the purposes of the Notice is contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation in the response to the Notice. |
| *Fire start* | Any fire:   * that starts in and originates from the reporting NSP’s transmission system; or * started by any tree, or part of a tree, which falls or blows in or grows into contact with the reporting NSP’s transmission system; or * started by any person, bird, reptile or other animal coming into contact with the reporting NSP’s transmission system; or * started by lightning striking the reporting NSP’s transmission system; or * started by any other thing forming part of or coming into contact with the reporting NSP’s transmission system; or * otherwise started by the reporting NSP’s transmission system. |
| *Historic capex* | Capex relating to regulatory years prior to and including 2013/14 |
| *Initial Regulatory Years* | The period for which back cast information is required. This is the 2009 to 2013 Regulatory Years. For NSPs who report on a financial year basis, this equates to the 2008–09 to 2012–13. |
| *Interruption* | An interruption is as defined in the STPIS. |
| *Labour costs* | The costs of:   * Labour hire; and * Ordinary time earnings; and * Other earnings, on-costs and taxes; and * Superannuation.   *Labour hire* – means expenditure:   * incurred under labour hire contracts.   Excludes expenditure required under contracts other than labour hire contracts, irrespective of whether or not the contract includes a labour component.  *Ordinary time earnings* – means expenditure:   * that was required under contracts of employment with TNSP; and * which constitutes ordinary time salaries and wages.   Includes expenditure related to full time, part-time, and casual employees.  Includes expenditure related to ongoing and temporary employment contracts.  Excludes expenditure required under contracts other than employment contracts, irrespective of whether or not the contract includes a labour component.  Excludes overtime, allowances, bonuses and incentive payments, and superannuation contributions.  Excludes payroll tax paid and fringe benefits tax paid.  *Other earnings, on-costs, and taxes* – means expenditure:   * that was required under contracts of employment with TNSP; and * which does not constitute employer superannuation contributions; and * which constitutes: * overtime; and/or * staff allowances, including allowances for expenses incurred (e.g. meal allowances) and allowances for nature of work performed (e.g. special skills allowance, or living away from home allowance); and/or * bonuses, incentive payments, and awards; and/or * benefits in kind and corresponding compensation payments (e.g. housing, electricity or gas subsidies); and/or * termination and redundancy payments; and/or * workers compensation; and/or * purchase of protective clothing for use by employees; and/or * training and study assistance provided to employees; and/or * taxes (payroll tax, fringe benefits etc)   Includes expenditure related to full time, part-time, and casual employees.  Includes expenditure related to ongoing and temporary employment contracts.  Excludes expenditure required under contracts other than employment contracts, irrespective of whether or not the contract includes a labour component.  *Superannuation* – means expenditure:   * that was required under contracts of employment with TNSP; and   which constitutes:   * employer superannuation contributions.   Includes expenditure related to full time, part-time, and casual employees.  Includes expenditure related to ongoing and temporary employment contracts.  Excludes expenditure required under contracts other than employment contracts, irrespective of whether or not the contract includes a labour component. |
| *Material Project* | A Project that relates to one or more Capex Categories and which over the life of the works exceeds:   1. $2 million (real dollars) in the case of a project which relates to non-network categories; or 2. $5 million (real dollars) in the case of all other projects. |
| *Negotiated transmission services* | Has the meaning prescribed in the National Electricity Rules. |
| *NEL* | National Electricity Law - means the National Electricity Law set out in schedule to the National Electricity Rules (South Australia) Act 1996. |
| *NER* | National Electricity Rules - means the Rules, as defined in the National Electricity Law. |
| *Non-financial Information* | Information that is not measured in monetary terms |
| *Notice* | The regulatory information notice to which this document is an appendix. |
| *Opex* | Operating expenditure |
| *Opex Category* | Operating expenditure associated with the following categories:   * Non-network expenditure * Vegetation management; * Maintenance; * Overheads. |
| *Paid FTE* | The number of full-time equivalent employees receiving salary or wages by the organisation at the end of a pay period.  Part-time employees are converted to full-time equivalent.  Includes:  • all active full-time and part-time, ongoing and non-ongoing employees engaged for a specified term or task paid through payroll (part-time employees are converted to full-time equivalent based on the hours they work).  Excludes:  • Overtime.  • Employees on unpaid leave. |
| *Prescribed transmission services* | Prescribed transmission services has the meaning set out in the Chapter 6A of the NER. |
| *Program* | A mix of capex or opex projects directed at the same purpose. |
| *Regulatory Accounting Statements* | The financial reports revealing the performance and financial situation of TNSP. They show the originating statutory account amount, its translation into a regulatory account amount and its disaggregation between the different categories of transmission services that it provides. |
| *Regulatory obligations or requirements* | Has the meaning prescribed in the National Electricity Rules |
| *Regulatory template* | Refers to spreadsheet in the Microsoft Excel workbook at Appendix A to this Notice. |
| *Regulatory year* | As defined in the NER |
| *Related Party* | In relation to TNSP, any other entity that:  (a) had, has or is expected to have control or significant influence over TNSP;  (b) was, is or is expected to be subject to control or significant influence from TNSP;  (c) was, is or is expected to be controlled by the same entity that controlled, controls or is expect to control TNSP – referred to as a situation in which entities are subject to common control;  (d) was, is or is expected to be controlled by the same entity that significantly influenced, influences or is expected to influence TNSP; or  (e) was, is or is expected to be significantly influenced by the same entity that controlled, controls or is expected to control TNSP;  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 Regulations 2001 (Cth);  (c) fund managers;  (d) trade unions;  (e) statutory authorities;  (f) government departments;  (g) local governments and includes NSP Name (ACN XXX XXX XXX); or  (h) 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 transmission services by TNSP), the entity to whom that contract or arrangement has been novated or assigned. |
| *Related party contract* | A finalised *Contract* between TNSP and a *Related Party* for the provision of goods and/or services |
| *Related party margin* | The dollar amount of profit a *Related Party* gains above its total actual costs under a *Related Party* *Contract* with TNSP. This profit may include margins, management fees or incentive payments. |
| *Repex model* | Available at: <http://www.aer.gov.au/node/18864> |
| *Review Report* | An Auditor’s limited assurance engagement report as required by this Notice and prepared in accordance with the requirements set out in Appendix D of this Notice |
| *SCADA* | Supervisory control and data acquisition. |
| *Subsequent Regulatory Years* | Each Regulatory Year commencing from 2014 for which TNSP must update the Regulatory Templates for Actual Information. |
| *Variable* | Words or numerical values inputted into the *Regulatory Templates* |

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| Definitions specific to *regulatory template* 2.5 NON NETWORK | Definition |
| *Car* | Cars are *Motor Vehicles* other than those that comply with the definition of Light commercial vehicle, Heavy commercial vehicle, Elevated work platform (LCV), or Elevated work platform (HCV) . |
| *Elevated Work Platform (HCV)* | Elevated work platforms (HCV) are *Motor Vehicles* that have permanently attached elevating work platforms that would be HCVs but for the exclusion of elevated work platforms from the definition of HCV. |
| *Elevated Work Platform (LCV)* | Elevated work platforms (LCV) are *Motor Vehicles* that have permanently attached elevating work platforms that are not Elevated work platform (HCV). |
| *Heavy Commercial Vehicle (HCV)* | Heavy commercial vehicles (HCVs) are *Motor Vehicles* that are registered for use on public roads excluding Elevated Work Platform (HCV)s 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. |
| *Motor Vehicle* | Is 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. excluding tractors, forklifts, backhoes, bobcats and any other road registered mobile plant). |
| *Motor Vehicles Expenditure* | Motor Vehicle Expenditure is defined as 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. Expenditure on registered vehicles that is not *Motor Vehicles Expenditure* for this reason should be reported under the *Other Non-Network Expenditure* category include: tractors; forklifts; backhoes; bobcats and any other road registered mobile plant.  All Motor Vehicle Expenditure, irrespective of whether it is Network Motor Vehicle Expenditure or Non- Network Motor Vehicle Expenditure must be recorded in the Non-Network *Regulatory Template*.  Sub Categories of Motor Vehicle Expenditure are:   * Network Motor Vehicle Expenditure – Cars * Network Motor Vehicle Expenditure – LCVs * Network Motor Vehicle Expenditure – HCVs * Network Motor Vehicle Expenditure – Elevated Work Platforms (LCVs) * Network Motor Vehicle Expenditure – Elevated Work Platforms (HCVs) * Non-Network Motor Vehicle Expenditure – Cars * Non-Network Motor Vehicle Expenditure – LCVs * Non-Network Motor Vehicle Expenditure – HCVs. |
| *Network Motor Vehicles Expenditure* | *Motor Vehicle Expenditure* where the key/dominant driver for purchase or acquisition of the *Motor Vehicle* is related to use supporting the operation, development, maintenance or management of the network. |
| *Non-network Buildings and Property Expenditure* | Expenditure directly attributable to non-network buildings and property assets including: the replacement, installation, operation and maintenance of non-network buildings, fittings and fixtures. |
| *Non-network IT & Communications - Non Recurrent Expenditure* | IT & Communications - Non Recurrent is all IT & Communications Expenditure that is Non-recurrent Expenditure excluding any expenditure reported under IT & Communications Expenditure - Client Devices Expenditure. |
| *Non-network IT & Communications Expenditure* | Is all non-network expenditure directly attributable to IT and communications assets including replacement, installation, operation, maintenance, licensing, and leasing costs but excluding all costs associated with *SCADA and Network Control Expenditure* that exist beyond gateway devices (routers, bridges etc) at corporate offices.  IT & Communications Expenditure includes   * costs associated with SCADA and Network Control that exist at the Corporate office side of gateway devices (routers, bridges etc). For example, this would include cost associated with SCADA master systems/control room and directly related equipment * IT & Communications Expenditure related to management, dispatching and coordination, etc. of network work crews (e.g. phones, radios etc.). * any common costs shared between the *SCADA and Network Control Expenditure* and *IT & Communications Expenditure* categories with no dominant driver related to either of these expenditure categories. For example, a dedicated communications link used for both corporate office communications and network data communications with do dominant driver for incurring the expenditure attributable to either expenditure category should be reported as IT & Communications Expenditure. * expenditure related to network metering recording and storage at non network sites (i.e. corporate offices/sites).   Sub categories of Non-network IT& Communications Expenditure are:   * Client Devices Expenditure * Recurrent Expenditure (excluding any client devices expenditure) * Non-Recurrent Expenditure (excluding any client devices expenditure) |
| *Non-Network IT & Communications Expenditure - Client Devices 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 |
| *Non-network IT & Communications Expenditure - Recurrent Expenditure* | Is all *IT & Communications Expenditure* that is *Recurrent Expenditure* excluding any expenditure reported as: *IT & Communications Expenditure - Client Devices Expenditure*. |
| *Non-network Motor Vehicles Expenditure* | All *Motor Vehicle Expenditure* that is not Network Motor Vehicle Expenditure. |
| *Non-Network Other Expenditure* | Is all expenditure directly attributable to the replacement, installation, maintenance and operation of Non-network assets, excluding Motor Vehicle assets, Building and Property assets and IT and Communications assets and includes ·   * non road registered motor vehicles; non road motor vehicles (e.g. forklifts, boats etc); * mobile plant and equipment; tools; trailers (road registered or not); * elevating work platforms not permanently mounted on motor vehicles; and * mobile generators. |
| *Non-recurrent Expenditure* | Is all Expenditure that is not *Recurrent Expenditure* in relation to the specific category of expenditure. |
| *Recurrent Expenditure* | Expenditure that returns time after time with respect to the particular category of expenditure. Examples of recurrent IT & Communications expenditure may include cyclic replacement of assets and related costs (hardware, software, training etc). |
| *SCADA and Network Control - Communications Expenditure* | Is all *SCADA and Network Control Expenditure* incurred primarily for the purposes of transferring data. |
| *SCADA and Network Control - IT Expenditure* | Is all *SCADA and Network Control Expenditure* incurred primarily for purposes other than transferring data.  All SCADA and Network Control Expenditure that is not *SCADA and Network Control – Communications Expenditure* is *SCADA and Network Control – IT Expenditure* |
| *SCADA and Network Control Expenditure* | Is all expenditure associated with the replacement, installation and maintenance of SCADA and Network Control hardware, software and communication systems that exist beyond gateway devices (routers, bridges etc) at corporate offices; and all communications expenditure incurred primarily for communications associated with the control or telemetering of the network (e.g. communications to and from SCADA devices or network control devices to corporate systems).  It includes:   * all fixed IT devices on the network side of gateway devices (router, bridge etc) at the corporate office sites; and * all communications expenditure incurred primarily for communications around the network or from network devices to corporate systems and vice versa (e.g. communications to and from smart meters and SCADA devices). |

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| Definitions specific to Regulatory Template 4.1 Asset age profile | Definition |
| *Standard Life* | An asset’s Standard Life is the estimated period after installation of the new asset during which the asset will be capable of delivering the same effective service as it could at its installation date.  The period of effective service needs to consider the life cycle costs between keeping the asset in commission and replacing it with its modern equivalent.  Life cycle costs of the asset include those associated with the design, implementation, operations, maintenance, renewal and rehabilitation, depreciation and cost of finance.  Mean and standard deviation of the standard life is derived from the standard lives of the asset population. |
| *Installed assets - quantity per year* | The number of assets still in use and the year they were installed. |

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| Definitions specific to Regulatory Template 2.2 Repex | Definition |
| *Asset Failures* | A breakdown of an asset, or the inability to use the asset, whilst in service  A known instance in which an asset did not perform as intended, and the asset's poor performance is not due to:  • 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.  Excludes planned interruptions. |
| *MVAr* | Reactive capacity |
| *Replacement Capital expenditure —‘Repex’* | The non-demand driven capex to replace an asset with its modern equivalent where the asset has reached the end of its economic life. 'Economic life' is determined by the age, condition, technology or environment of the existing asset. Capex is regarded as replacement expenditure if it is primarily determined by the existing asset's ability to efficiently maintain its service performance requirement. |

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| Definitions specific to both Regulatory Template 4.1 Asset Age Profile and 2.2 Repex | Definition |
| *Circuit breaker* | A switch that can open under fault current conditions to protect equipment and electrical circuits from damage. |
| *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. |
| *Current Transformers* | transformers used to measure current for protection or measurement purposes. |
| *Gas Insulated Switchgear Unit* | enclosed gas insulated switchgear that may comprise circuit breakers, disconnectors, isolators, and other gas insulated components. |
| *Isolators/disconnectors* | switches used to de-energise and isolate equipment or portions to the electrical network to allow service or maintenance to be undertaken. |
| *Multiple circuit configuration* | A multiple circuit configuration is a transmission line that includes more than one electrical circuit. |
| *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. |
| *Steel towers* | These are assets that provide structural support for conductors or other lines assets.  This includes tower structures, insulators, earthing, footings, where these are replaced in conjunction with a steel tower replacement project.  It excludes any assets that are included in any other asset group. |
| *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 compensators, dynamic VAr compensators.  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. |
| *SVCs (Static VAR compensators)* | Has the meaning prescribed in the National Electricity Rules. |
| *Tower structures* | These are structures and their components that allow conductors or other line assets to be located on a steel tower and provide adequate clearances. This expenditure relates to that which TNSPs incur when tower structures are replaced independently of the steel tower they are located on.  This includes tower section, arms, insulators, earthing  It excludes any assets that are included in any other asset group. |
| *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 any insulation or housing this material requires.  It excludes any assets that are included in any other asset group. |
| *Voltage Transformers* | transformers used to measure voltage levels for protection or measurement purposes. |

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| Definitions specific to Regulatory Template 2.3 augex project data | Definition |
| *Augmentation* | Has the meaning prescribed in the National Electricity Rules, and also includes work relating to improving the quality of the network, for example, to meet regulatory obligations. |
| *Cable* | 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 any insulation or housing this material requires.  It excludes any assets that are included in any other asset category. |
| *Circuit line length* | The aggregate length in kilometres of transmission lines, measured as the aggregate length of all circuits irrespective of how many circuits exist in a single span. Length does not take into account vertical components such as sag. |
| *Civil works* | The construction and/or installation of the infrastructure which will house or provide supporting foundations for electrical cables and equipment. It includes buildings, earthworks, foundations, access roads, as well as support structures not included in any other category. |
| *Easement* | All rights to enjoyment over property not registered to TNSP and includes, without limitation, rights to access and maintain land, build and maintain assets on land and wayleaves |
| *Line* | 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. |
| *N-1 emergency (for lines)* | The maximum peak emergency loading for a given load cycle that a line (all equipment excluding the largest parallel element) can supply for up to 15 minutes. |
| *N-1 emergency (for substations)* | The maximum peak emergency loading for a given load cycle that a substation (all equipment excluding the largest parallel element) can supply for up to two hours. |
| *Normal cyclic rating (for lines)* | The maximum peak daily loading based on a given load cycle that a line can supply each day of its life under normal conditions resulting in a normal rate of wear. TNSP must provide its definition(s) of ‘normal conditions’. |
| *Normal cyclic rating (for substations)* | The maximum peak daily loading based on a given load cycle that a substation can supply each day of its life under normal conditions resulting in a normal rate of wear. TNSP must provide its definition(s) of ‘normal conditions’. |
| *OLTC* | On load tap changer |
| *Reactive plant* | Has the meaning prescribed in the National Electricity Rules |
| *Reactor* | Has the meaning prescribed in the National Electricity Rules |
| *Route line length* | The aggregate length in kilometres of transmission lines, measured as the length of each span between poles and/or towers, and where the length of each span is considered only once irrespective of how may circuits it contains. Length does not take into account vertical components such as sag. |
| *Static VAR compensator* | Has the meaning prescribed in the National Electricity Rules |
| *Substation* | Has the meaning prescribed in the National Electricity Rules |
| *Switchgear* | These are assets used to control, protect and isolate segments of the network  This includes disconnect switches, fuses, circuit breakers, reclosers, sectionalises, etc.  It excludes any pole mounted assets that are included in any other asset category. |
| *Switching station* | A station that connects to multiple circuits but does not contain a transformer. |
| *Towers/Poles (including structures)* | Structures that provide support for overhead lines, transformers and other lines assets. |
| *Transformer* | These are assets used to transform between voltage levels within the network  This includes all its components such as the cooling systems and tap changing equipment (where installed).  It excludes any pole mounted assets that are included in any other asset category.  For the avoidance of doubt, this does not include instrument transformers as defined in the National Electricity Rules. |
| *Transmission line* | Has the meaning prescribed in the National Electricity Rules. |

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| Definitions specific to *regulatory template* 4.2 MD – Network level | Definition |
| *Block load* | An identified step change in demand, either positive or negative, attributable to a specific project or customer. |
| *Coincidence factor* | The ratio of demand at a network segment at the time of system wide maximum demand to demand at the same network segment at its maximum. A coincidence factor can take a value between 0 and 1. |
| *Coincident maximum demand* | The load on the connection point, or other spatial level, at the time during which the network was experiencing its maximum demand for the relevant regulatory year. |
| *Connection point* | Has the meaning prescribed in the National Electricity Rules |
| *Delivered demand* | Native demand minus generation by non-scheduled embedded generators. |
| *Maximum demand* | Has the meaning prescribed in the National Electricity Rules.  Note: this RIN sets out the specific types of maximum demand information we require to perform our obligations under the NER. For the avoidance of doubt, maximum demand refers to 30 minute demand unless otherwise indicated. |
| *Native demand* | The sum of generation by scheduled generators, semi-scheduled generators and non-scheduled generators and net interconnector flows into the network, accounting for transmission losses. |

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| Definitions specific to Regulatory Template 4.3 MD and utilisation - Spatial | Definition |
| *Embedded generator* | Has the meaning prescribed in the National Electricity Rules |
| *Maximum demand* | Has the meaning prescribed in the National Electricity Rules.  Note: this RIN sets out the specific types of maximum demand information we require to perform our obligations under the NER. For the avoidance of doubt, maximum demand refers to 30 minute demand unless otherwise indicated. |
| *MVA* | Mega volt ampere |
| *MW* | Megawatt. |
| *Network coincident maximum demand* | The load on the network at the time during which the network was experiencing its maximum demand for the relevant regulatory year. |
| *Non-coincident maximum demand* | The load on the connection point, or other spatial level, at the time during which the relevant connection point, or spatial level, was experiencing its maximum demand for the relevant regulatory year. |
| *Non-scheduled generator* | Has the meaning prescribed in the National Electricity Rules |
| *Power factor* | The ratio of demand in MW to demand in MVA. |
| *Probability of exceedance (PoE)* | Typically, actual maximum demand is standardised to either, or both, of 10 per cent and 50 per cent PoE levels.  The 50 (10) PoE demand level is the level of maximum demand that, on average, would be exceeded in 50 per cent (10 per cent) of seasons. It can be thought of as the maximum demand that would be observed or exceeded once every two (ten) years on average.  The key driver of variability in demand is usually weather. However this is not always the case and the concept of POE is not necessarily tied directly to weather. |
| *Raw data* | Refers to unadjusted (that is, without weather correction) demand. |
| *Scheduled generator* | Has the meaning prescribed in the National Electricity Rules |
| *Semi-scheduled generator* | Has the meaning prescribed in the National Electricity Rules |
| *Summer peaking* | Maximum demand experienced over the period 1 October to 31 March. |
| *Switching* | Temporary changes in network configuration and restoration made by TNSP for operational reasons. |
| *Transfers* | Permanent (or indefinite) changes in network configuration made by TNSPusually to manage demand growth. |
| *Weather correction* | The removal of the impact of temperature fluctuations so as to derive a maximum demand measure corrected to a probability of exceedance (PoE), usually 50% PoE and/or 10% PoE. |
| *Winter peaking* | Maximum demand experienced over the period 1 April to 30 September. |

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| Definitions specific to Regulatory Template 2.7 MAINTENANCE | Definition |
| *Non-routine maintenance* | Costs (opex) 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 and across NSPs.  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.  The non-routine activities may be undertaken in a discriminate manner for individual assets.  Includes emergency response.  Excludes routine asset maintenance activities.  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.  Excludes asset removal, asset replacement, new asset installation, and vegetation management.  May include:  • activities to inspect, survey, audit, test, repair, alter, or reconfigure assets  • functional and intrusive testing of assets, including spares and equipment;  Includes load monitoring and switching activities attributable to non-routine asset maintenance. |
| *Protection system* | Has the meaning prescribed in the National Electricity Rules |
| *Routine maintenance* | Costs (opex) of recurrent/programmed activities undertaken to maintain assets, performed regardless of the condition of the asset. Costs of activities predominantly directed at discovering information on asset condition, and often undertaken at intervals that can be predicted.  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; and * indiscriminately carried out for a pre-defined set of assets; and * scheduled to occur at pre-defined intervals.   May include activities to inspect, survey, audit, test, repair, alter, or reconfigure assets.  A pre-defined interval may be based on the number of times the asset has operated, or any other measure, if the future timing of the maintenance based on the measure can be predicted with a reasonable level of certainty.  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.  Excludes asset removal, asset replacement, new asset installation, vegetation management, and emergency response.  May include:   * functional and intrusive testing of assets, including spares and equipment; * helicopter, vehicle, and foot patrols, including negotiation of landowner access; * asset surveys; * environmental testing; * painting of network assets; * re-conductoring lines * indoor and outdoor maintenance of substations including lawn mowing, weed control, fencing ; * maintenance of access tracks including lawn mowing, weed control, and maintenance of security structures;   Includes load monitoring and switching activities attributable to routine asset maintenance. |
| *SCADA & Communication systems* | Includes all assets that are used to manage, transmit, receive or carry data or voice traffic for the purposes of managing, monitoring or controlling the transmission network.  These assets include all equipment used primarily for communications around the network or from network devices to corporate systems and vice versa (e.g. communications to and from equipment and SCADA devices). |
| *Substations* | 'Substation' has the meaning prescribed in the National Electricity Rules. |
| *Transmission lines* | 'Transmission line' has the meaning prescribed in the National Electricity Rules. |

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| Definitions specific to *regulatory template* 2.4 connections | Definition |
| *Connection rating (MVA)* | Normal cyclic rating. |
| *Connection voltage (KV)* | Nominal voltage. |
| *Prescribed connection services* | As prescribed in the National Electricity Rules. |

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| Definitions specific to Regulatory Template 2.8 OVERHEADS | Definition |  | |
| *Asset Management Support* | Expenditure on operational activities and services associated with managing and developing the transmission network, and supporting the strategic development of the network, but not directly attributable to maintaining or operating the network, and includes the costs related to the following functions:   * maintaining asset strategies and plans, and technical standards * project initiation * grid planning * system modelling and planning * network support * IT support * network customer support/management * regulatory support * property management   Administration of the asset management information system. |  | |
| *Corporate Overhead* | 1. *Corporate Overhead* costs refer to the provision of corporate support and management services by the corporate office that cannot be directly identified with specific operational activity.   Includes:   * All corporate departments – Office of the CEO, Legal, Finance, Human Resources, Regulatory, etc. * Taxes * Rates * Self-insurance * Insurance * Property management * Debt raising cost * Equity raising cost * Network support (i.e. non-network alternatives to augmentation) * Corporate support. | |  |
| *Maintenance Support* | Expenditure on activities and services that directly support field maintenance activities but are not directly attributable to working on an item of plant or equipment, and includes the costs of:   * managing field-based maintenance teams * managing field operating and maintenance contracts * field support * asset condition monitoring/analysis (including performing fault diagnosis and response management, and auditing network configurations) * environment and safety management * works planning and coordination * running business processes and systems that directly support the field maintenance activities, such as geospatial information systems, maintenance management systems and maintenance field tools, and * direct charges associated with owning and managing assets, such as land taxes, water charges, electricity bills, council rates, and permits.   Excludes:  If not directly attributable to field maintenance, the costs (in whole or in part) of fleet and logistics & supply management, which should be reported in *Corporate Overhead.* |  | |
| *Network Monitoring & Control* | 1. Expenditure associated with activities in operating and monitoring assets in the field and the control centre, and includes the costs associated with:  * real-time control room functions (network operation, coordination and switching) * off-line system security support * technical/IT support for SCADA and other network operation systems * managing the energy management system * training * OH&S * network billing, and * customer services. |  | |
| *Network Overhead* | 1. *Network Overhead* costs refer to the provision of management services and other related operational, network planning, asset management and compliance functions that cannot be directly associated with any specific operational activity (such as routine maintenance, vegetation management, etc.).   For transmission NSPs, *Network Overhead* is the sum of expenditure for *Maintenance Support*, *Network Monitoring & Control*, and *Asset Management Support*. |  | |

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| Definitions specific to Regulatory Template 2.2.1 Vegetation management | Definition |
| *Audit (vegetation management)* | Auditing of vegetation that occurs following a period of vegetation maintenance work. |
| *Cutting cycle* | The average planned number of years (including fractions of years) between which cyclic vegetation maintenance is performed within urban areas, rural areas and *vegetation management zones*. |
| *Defect* | A *defect* is any recorded incidence of noncompliance with TNSP’s vegetation clearance standard. This also includes vegetation outside a TNSP’s standard clearance zone that is recognised as hazardous vegetation and which would normally be reported as requiring management under TNSP’s *inspection* practices. |
| *Inspection* | Inspections only for the purpose of identifying of trees or other vegetation that require trimming or removal. This includes vegetation scoping works, use of LiDAR, aerial and other forms of inspections. |
| *LiDAR* | Light detection and ranging |
| *Maintenance access track* | Those access tracks that are subject to maintenance under TNSP’s *vegetation management* program. |
| *Maintenance span* | A span within TNSP’s network that is subject to active *vegetation management* practices in the relevant year. Active *vegetation management* practices do not include *inspection* of vegetation *maintenance spans*. |
| *Unplanned vegetation events* | System outages and *fire starts* caused by either *vegetation grow-ins*, *vegetation blow-ins* or *vegetation fall-ins*. |
| *Vegetation blow-ins* | Wind-borne tree limbs or bark, coming into contact with TNSP’s network assets |
| *Vegetation corridor* | An area that has been cleared of trees and undergrowth, which is slashed or mown to create a 'corridor' free of significant vegetation. |
| *Vegetation fall-ins* | Vegetation falling onto TNSP’s network assets |
| *Vegetation grow-ins* | Vegetation that has grown into the standard clearance area, coming into contact with TNSP’s network assets |
| *Vegetation management* | Expenditure attributed to activities that:   * are primarily directed at removing, altering, or managing vegetation to maintain safe or regulated clearances from distribution or transmission assets; and * are not emergency or fault related activities; and * are not initiated by a request from a distribution or transmission customer, excluding customers that are network service providers; and * are not activities for which expenditure could be attributed to the AER expenditure category 'Augmentation, replacement, or non-routine maintenance activities triggered by a changed regulatory obligation or requirement'; and * are not activities for which expenditure could be attributed to the AER expenditure category 'Augmentation, replacement, or non-routine maintenance activities triggered by a changed internal standard'. * include tree cutting, undergrowth control, root management, waste disposal, use of herbicide and growth retardants, and encouragement of low-growth vegetation to prevent the establishment of high-growth vegetation. * includes:   + pre-cutting/trimming inspections; and   + inspections of vegetation to ensure that activities have been undertaken appropriately; and   + liaison with affected residents and landowners including the issue of trim/cut notices, and follow up calls on notices; and   + operational support such as any temporary generation used during the activity; and   + operational support such as any temporary generation used during the activity; and * does not include such items as "beautification" works, lawnmowing e.g. from natures strips, or office gardens, interior plant and aesthetic vegetation works. |
| *Vegetation management zone* | A segment of the transmission network distinguished from other vegetation management segments by material differences in recognised cost drivers. |
| *Width of vegetation corridor* | The distance from the base of a transmission tower to one side of the required clearance zone. |