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Our Ref: 61592- D18/123163  
Contact Officer: Ali Hassan  
Contact Phone: 02 9230 9106

31 August 2018

Matthew Webb  
Head of Asset Management  
Ausgrid  
Level 15, 570 George Street  
SYDNEY NSW 2000

Dear Mr Webb

### **Re: Follow-up Information Request - Sydney CBD RIT-D Dispute**

Thank you for follow-up meeting with the AER staff and WSP on 21 August 2018 to assist our assessment of the dispute raised by the Energy Users Association of Australia (EUAA)<sup>1</sup>, regarding Ausgrid's Ensuring Reliability Requirements in the Sydney CBD regulatory investment test for distribution (RIT-D) (Sydney CBD RIT-D).

As discussed in previous meetings, pursuant to Clause 5.17.5(h) of the National Electricity Rules, the AER may request additional information regarding the dispute from the disputing party or the RIT-D proponent. The additional information should be provided to the AER within 14 days of the receipt of the request. As noted in the meeting, it would be appreciated if you are able to provide this information as soon as practicable to assist the AER in making a timely determination.

Our consultants, WSP, have requested additional information to assist with their independent assessment of the Sydney CBD RIT-D dispute in addition to what has been provided within Ausgrid's initial response to the information request. Specifically, the following information is requested:

1. Explanation on the build-up of costs for safety, environment and corrective maintenance, addressing how they were calculated and incorporated into the modelling for this project.
2. Explanation on the selection process for the assumptions and parameters used in the energy at risk calculations within Item 8 of the initial information request.
  - a. Furthermore, referring to the table below from Ausgrid's response, clarification on what is meant by 'Repairable failure rate' and how it is applied.

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<sup>1</sup> EUAA, Sydney CBD RIT-D dispute, 2 July 2018, <https://www.aer.gov.au/about-us/dispute-resolution/sydney-cbd-rit%E2%80%93d-dispute>

Transformer Type	Weibull parameters		Replace Time	Repairable failure rate	Repair Time
	$\eta$	$\beta$			
33/11kV transformer w/endboxes	3.77	113.9	35 days	0.0014	10 days

(source: Ausgrid, Response to AER information request - Sydney CBD RIT-D Dispute, page 17)

3. The model and associated methodology that have been used to determine the preferred timing of the project and the capital expenditure profile, in addition to what has been provided within Item 2 & Item 4 of the Ausgrid's initial response to the information request.

We request you provide this information by **14 September 2018**.

If you have questions regarding this information request, please contact Ali Hassan on (02) 9230 9106.

Yours sincerely,

Sebastian Roberts  
 General Manager  
 Transmission & Gas Branch

Sent by email on: 31.08.2018