

# Preliminary Annual Order - Interconnectors

## Appendix A – Data workbooks instructions

January 2023

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# 1 General instructions

## 1.1 Information requirements

- 1.1.1 General instructions relevant to the completion of the *data workbooks* are contained in each of the *data workbooks* attached at *Appendix A*.
- 1.1.2 Data requirements are identified by reference to table headings, row descriptors and column headings. They are represented as input cells - shaded green in the *data workbooks*.
- 1.1.3 Reported data (inputs) must meet validation rules and consistency cross checks, as set out in the *data workbooks*.
- 1.1.4 Where a NULL response is specified as valid the response to the data requirement is not mandatory.
- 1.1.5 The *interconnector* must identify and explain each NULL response in its *basis of preparation*.
- 1.1.6 Where a NULL response is specified as not valid (that is, a response to the data requirement is mandatory) and the data requirement is not relevant to the *interconnector* in the *reporting period*, it must report '0'.

## 1.2 Reporting framework

- 1.2.1 The *interconnector* must prepare and report the data in the *data workbooks* in accordance with:
  - (a) the service classifications that apply or applied in the *reporting period*; and
  - (b) the *cost allocation method* approved by the AER for the *reporting period*.
- 1.2.2 The *interconnector* must report *financial information* in the *data workbooks* that:
  - (a) is derived from the *audited statutory accounts*;
  - (b) is verifiable by reference to the *audited statutory accounts*;
  - (c) is generally prepared using the accrual basis of accounting;
  - (d) is presented on a fair and consistent basis, from the *accounting records* that underlie the costs, revenue, assets and liabilities that may be reasonably attributed to *the interconnector*;
  - (e) in so far as is reasonably practicable, is prepared in accordance with the general rules and format of the *audited statutory accounts*, and use the accounting principles and policies applicable to the *audited statutory accounts* except as otherwise required by this *Order*;
  - (f) is presented in an understandable manner, without sacrificing relevance or reliability; and
  - (g) states fairly the financial performance of the *interconnector*.

## 1.3 Cost allocation

- 1.3.1 The *interconnector* must allocate all costs that relate to or are incurred in the provision of *prescribed transmission services* in the *audited statutory accounts* to the *interconnector* in accordance with section 1.3.3.
- 1.3.2 All costs allocated to the *interconnector* in the response to section 1.3.1 must be in turn be allocated in accordance with section 1.3.3 to:
- (a) a *prescribed transmission service*;
  - (b) a *negotiated service*; or
  - (c) an *unclassified or unregulated service*.
- 1.3.3 A cost allocated to the *interconnector* that is:
- (a) *directly attributable* to the *interconnector*, must be allocated to the *interconnector*;
  - (b) not *directly attributable* to the *interconnector* must be allocated to the *interconnector* on a causation basis using an appropriate allocator, determined in accordance with section 4.5 of the *Order*, unless the *item* is not *material*;
  - (c) *directly attributable* to the *interconnector* but not *directly attributable* to a *prescribed transmission service*, a *negotiated service* or an *unclassified or unregulated service*, must be allocated in accordance with the approved *cost allocation method*;
  - (d) *capital expenditure* must be allocated to an *asset class* on a *directly attributable* basis or a causation basis using an appropriate allocator; and
  - (e) *operating expenditure* must be allocated to an *operating expenditure category* on a *directly attributable* basis or a causation basis using an appropriate allocator.

**Note:** See section 4.5 of the *Order*.

## 1.4 Customer and government contributions

- 1.4.1 The *interconnector* must not carry forward into the asset base *capital contributions* treated as revenues in *audited statutory accounts* and included in the value of assets in those accounts.
- 1.4.2 The *interconnector* must treat *capital contributions* in accordance with the method approved in the *interconnector's* current *revenue determination*.

## 1.5 Asset base

- 1.5.1 Asset revaluations or adjustments for impairment are not permitted unless agreed to or required by the *AER*.
- 1.5.2 The *interconnector* must report revaluations or adjustments for impairment made in the *audited statutory accounts* in the *Adjustments* column in *Workbook 09 – Revenue and financial information*.

1.5.3 The *interconnector* must allocate *capital expenditure* to an *asset class* and not show it under a work in progress heading.

1.5.4 The *interconnector* must not include goodwill and any related impairments in the *financial information*.

## 1.6 Regulatory accounting principles and policies

1.6.1 The *regulatory accounting principles and policies* must:

- (a) be based on a recognisable and rational economic basis;
- (b) ensure that the resultant *financial information* satisfies the concepts of relevance and reliability;
- (c) ensure that the substance of the underlying transactions and events is reported in the *financial information*;
- (d) ensure that the *financial information* can be understood;
- (e) allow for comparisons to be made over time; and
- (f) conform to the recognition and measurement principles of the Australian Accounting Standards.

1.6.2 Unless otherwise required by this *Order*, the *interconnector* must report *capital expenditure* and associated data (such as asset volumes) against the *reporting period* on an as-incurred basis.

## 2 Workbook 02 - Operational outputs

### 2.1 Connections

#### Description of connections projects

2.1.1 The data requirements are set out in *Data workbook 02 – Operational outputs*, with additional context provided by the general instructions in this document. There are no additional instructions.

### 2.2 Other outputs

#### Asset replacement and maintenance activities

2.2.1 The *interconnector* must report data on asset replacement and maintenance by the prescribed asset group.

2.2.2 Where the *interconnector* considers the prescribed asset group categories do not account for an asset on the *interconnector's* network, the *interconnector* must report the asset in the row “Other: by interconnector defined”.

#### Asset augmentation activities

2.2.3 The *interconnector* must include only projects and expenditure related to augmentation of its network – defined with reference to the primary purpose of the project or expenditure. The interconnector must report augmentation work related to connection as a connection activity.

2.2.4 The *interconnector* must not include data for gifted assets.

2.2.5 For projects that span across *reporting periods*, the interconnector must report the units added or units upgraded according to the final year in which expenditure was incurred for the project.

## 3 Workbook 03 – Network metrics

### 3.1 Network assets – volume

3.1.1 The interconnector must report all asset volumes as at the end of the *reporting period*.

#### Installed assets – quantity currently in commission by year

3.1.2 The *interconnector* must report asset volumes by year commissioned by asset group, to match the asset groups used to report asset replacement activities in workbook 2 – operational outputs.

### 3.2 Length

#### Overhead network length of circuit at each voltage

#### Underground network length of circuit at each voltage

3.2.1 The network length of circuit is the circuit length (measured in kilometres) of lines in service. Lines in service is the total length of lines including interconnectors, backbones and spurs. A double circuit line counts as twice the length. Length must not include vertical components such as sag.

3.2.2 For ‘Other overhead voltages’ and ‘Other underground voltages’ the *interconnector* must report the aggregate circuit length for all voltages that comprise ‘Other’. The *interconnector* must identify the other voltages in its *basis of preparation*.

3.2.3 The *interconnector* must identify the voltage for each ‘other’ voltage level.

### 3.3 Capacity

#### Circuit capacity MVA

##### *Estimated overhead network weighted average MVA capacity by voltage class*

##### *Estimated underground network weighted average MVA capacity by voltage class*

3.3.1 The *interconnector* must report, for each of the listed voltage classes, estimated typical or weighted average capacities under normal circumstances taking account of limits imposed by thermal or by voltage drop considerations as relevant.

3.3.2 Where circuits travel both overhead and underground and the capacity of the overhead and underground components is not available separately, the *interconnector* may split the known circuit capacity by the ratio of its overhead network to its underground network and report estimated values for the overhead capacity and underground capacity components.

### 3.4 Safety

#### Major safety incidents

3.4.1 When reporting a major safety incident the interconnector must provide enough information to enable those using the data to understand the nature of the event that resulted in the major safety incident. However, it is not necessary to provide detailed information on locations of the incident or roles of people involved.



3.4.2 When completing these tables, the *interconnector* may use an alternative definition of major safety incident that aligns with an existing jurisdictional reporting obligation.

3.4.3 If the data is reported based on an alternative definition the *interconnector* must also identify the alternative definition in the *basis of preparation*.

**Safety incidents (excluding major safety incidents)**

3.4.4 When reporting a safety incident the interconnector must provide enough information to enable those using the data to understand the nature of the event that resulted in the safety incident. However, it is not necessary to provide detailed information on locations of the incident or roles of people involved.

3.4.5 When completing these tables, the *interconnector* may use an alternative definition of safety incident that aligns with an existing jurisdictional reporting obligation.

3.4.6 If the data is reported based on an alternative definition the *interconnector* must identify the alternative definition in the *basis of preparation*.

## 4 Workbook 05A – Service performance

### 4.1 STPIS Outcomes

#### Service component current STPIS

- 4.1.1 The interconnector must report service performance outcomes for all parameters that apply to the *interconnector* in the calendar year immediately preceding the *reporting period*, as specified in a revenue determination made by the *AER*.
- 4.1.2 This data requirement adopts the definitions specified in the service target performance incentive scheme (STPIS) that applies in the calendar year immediately preceding the *reporting period*.
- 4.1.3 The *interconnector* must report unrounded data.

#### System losses

- 4.1.4 The interconnector must report system losses calculated as:

$$((\text{Electricity inflows} - \text{electricity outflows}) \times 100) / (\text{electricity inflows})$$

where:

**Electricity inflows** is the total electricity inflow into *interconnector's* transmission network including from generation, other connected *interconnectors* at the connection point, and connected DNSPs as measured by revenue meters.

**Electricity outflows** is the total electricity outflow into the networks of connected distribution network service providers, other transmission networks and directly connected end-users as measured by revenue meters.

#### Service component STPIS V4

- 4.1.5 Where STPIS targets applying to the *interconnector* in the *reporting period* are different to the targets that were applied to the *interconnector* in the STPIS V4, the *interconnector* must also report the STPIS outcomes calculated in accordance with the parameters and targets under STPIS V4.

### 4.2 MIC monthly data

#### Planned outage count

#### Unplanned outage count

- 4.2.1 The definitions are specified in the service target performance incentive scheme (STPIS) that applies in the calendar year immediately preceding the *reporting period*.
- 4.2.2 The *interconnector* must report unrounded data.

## 5 Workbook 05B – Service performance

### 5.1 STPIS Inputs - Performance

- 5.1.1 The definitions specified in the service target performance incentive scheme (STPIS) that applies to the *interconnector* in the *reporting period* must be used to determine the data reported.
- 5.1.2 Service performance data must be reported for all parameters that apply to the *interconnector* in the *reporting period*, as specified in the revenue determination made by the *AER*.
- 5.1.3 The *interconnector* must report unrounded data.

### 5.2 STPIS Inputs - Exclusions

- 5.2.1 The definitions specified in the service target performance incentive scheme (STPIS) that applies to the *interconnector* in the *reporting period* must be used to determine the data reported.
- 5.2.2 Where an exclusion event applies to more than one STPIS parameter or sub-parameter, the relevant details of the event must be entered under each of the parameter or sub-parameter headings.
- 5.2.3 The *interconnector* must report unrounded data.

## 6 Workbook – Operating expenditure

### 6.1 Audited Statutory accounts

#### Income statement - expenditure

6.1.1 The *interconnector* must identify any expenditure category where the expense is more than five per cent of the total *operating expenditure*. The *interconnector* must identify debt raising cost as an expenditure category, regardless of the expenditure amount.

6.1.2 The reported sum of the individual operating expenditure categories must reconcile to the total operating expenditure included in the *Audited financial statements* of the *interconnector*.

#### Overheads expenditure

6.1.3 The *interconnector* must report overheads expenditure allocated to operating expenditure and disaggregated into service categories.

6.1.4 The *interconnector* must disaggregate network overheads expenditure into the following three categories:

- Maintenance support (for example, field support, engineering services, works planning and coordination)
- Network monitoring and control (for example, network switching, network management system support, transmission operations)
- Asset management support (for example, grid planning, network support, customer support or management, property management, asset management, asset works programs)

6.1.5 The *interconnector* must identify any network overheads category where the expense is more than five per cent of the total network overheads expenditure.

6.1.6 The *interconnector* must identify any corporate overheads category where the expense is more than five per cent of the total corporate overheads expenditure.

### 6.2 Regulatory accounts (PTS)

#### Income statement - expenditure

6.2.1 The *interconnector* must report operating expenditure against all operating expenditure categories reported for the Audited Statutory accounts.

6.2.2 The *interconnector* must explain the regulatory adjustments in the *basis of preparation*, including a reconciliation with the *Audited financial statements* of the *interconnector*.

#### Opex by category

6.2.3 The *interconnector* must report operating expenditure on a mutually exclusive and collectively exhaustive basis.

#### Maintenance

*Routine maintenance*

*Non-routine maintenance*

6.2.4 The data requirements are as specified in the tables and definitions in data workbook 06. There are no additional instructions.

### Non-network

6.2.5 The *interconnector* must report non-network operating expenditure as a direct cost, irrespective of whether any expenditure is also classified to corporate overheads, network overheads or other *operating expenditure* categories. To the extent this results in multiple reporting of expenditures, identify this in the *basis of preparation*.

### Overheads expenditure

6.2.6 The *interconnector* must report overheads expenditure allocated to operating expenditure and disaggregated into service categories.

6.2.7 The interconnector must report network overheads expenditure disaggregated into the following three categories:

- Maintenance support (for example, field support, engineering services, works planning and coordination)
- Network monitoring and control (for example, network switching, network management system support, transmission operations)
- Asset management support (for example, grid planning, network support, customer support or management, property management, asset management, asset works programs)

6.2.8 The *interconnector* must identify any network overheads category where the expense is more than five per cent of the total network overheads expenditure.

6.2.9 The *interconnector* must identify any corporate overheads category where the expense is more than five per cent of the total corporate overheads expenditure.

## 6.3 RIT & Contingent

### RIT expenditure

6.3.1 For each *project* where the *interconnector* has incurred expenditure during the *reporting period* relating to a *project* that has undergone a *regulatory investment test for transmission* in accordance with r. 5.17 of the *NER* and the *AER's Regulatory investment test for transmission application guidelines*, the interconnector must report the following details:

- (a) The name of the *project* and the date on which the *regulatory investment test for transmission* process for that *project* was concluded;
- (b) the expenditure incurred on the *project* in the reporting period.

### Contingent project expenditure

6.3.2 For *projects* the AER has approved as a contingent project in a revenue determination and for which a trigger event has occurred, the *interconnector* must report operating expenditure incurred on the project during the *reporting period*.

## 7 Workbook – Capital expenditure

### 7.1 Capex by asset class

#### Capex – as commissioned

#### Capex - as incurred

- 7.1.1 The *interconnector* must report against each *asset class* specified in its current determination as listed in the *AER's* final decision in its *post-tax revenue model*.
- 7.1.2 Where allocations are based on assumptions, the *interconnector* must explain the allocation method in the *basis of preparation*.
- 7.1.3 The *interconnector* must explain in its *basis of preparation* the basis upon which it has reported *movements in capitalised provisions*.
- 7.1.4 Reported provisions are those that have been included in the associated *capital expenditure*.
- 7.1.5 The *interconnector* must report *capital expenditure* funded by *capital contributions*. *Capital expenditure* for each asset class and must include the *capital contributions* as a positive value where relevant.

#### *Immediate expensing of capex*

- 7.1.6 The *interconnector* report *immediate expensing capital expenditure* against each *asset class* specified in its current determination as listed in the *AER's* final decision in its *post-tax revenue*.
- 7.1.7 Where allocations are based on assumptions, the *interconnector* must report the allocation method in its *basis of preparation*.
- 7.1.8 The reported value of the *interconnector's immediate expensing capital expenditure* by *asset class* incurred within the *reporting period* must be consistent with the value of *immediate expensing capital expenditure* that has been or would be included in the income tax returns lodged by the *interconnector*, whether Federal or NTER, for the *reporting period*. These reported values may be updated through a *RIO* resubmission to reflect updates to these values arising as the result of the *ATO's* decision-making process.

#### *Disposals by asset class*

- 7.1.9 The *interconnector* must report *disposals by asset class* against each *asset class* specified in its current determination as listed in the *AER's* final decision in its *post-tax revenue model*.

### 7.2 Capex by purpose

- 7.2.1 Expenditure for *capital expenditure* must be reported on an “as-incurred” basis.

#### Capex by purpose

- 7.2.2 The capital expenditure for each *AER* defined purpose must be mutually exclusive and collectively exhaustive.

7.2.3 The *interconnector* must provide a reconciliation between the total capital expenditure to the capital expenditure recorded in the *interconnector's Data workbook 08 – asset base – indicative roll forward*.

#### **Replacement capex by asset category**

7.2.4 The *interconnector* must report asset replacement capital expenditure by the prescribed asset classes.

7.2.5 Where the *interconnector* considers the prescribed asset classes do not account for an asset on the *interconnector's* network, the *interconnector* must report the asset in the row “other”. The *interconnector* must describe the assets reported as “other” in the *basis of preparation*.

#### **Non-network**

7.2.6 The *interconnector* must report non-network capital expenditure as a *direct cost*, irrespective of whether any expenditure is also classified as corporate overheads, network overheads or other *capital expenditure* categories. To the extent this results in multiple reporting of expenditures, the *interconnector* must identify this in the *basis of preparation*.

7.2.7 In relation to the Non-network Other expenditure category, if the *interconnector* has incurred \$1 million or more (nominal) in capital expenditure over the last five reporting periods for a given type or class of assets (e.g. mobile cranes), the *interconnector* must report that item separately.

#### **RIT project expenditure**

7.2.8 For each *project* where the *interconnector* has incurred expenditure during the *reporting period* relating to a *project* that has undergone a *regulatory investment test for transmission* in accordance with r. 5.17 of the *NER* and the *AER's Regulatory investment test for transmission application guidelines*, the *interconnector* must report the following details:

- (a) the name of the *project* and the date on which the *regulatory investment test for transmission* process for that *project* was concluded;
- (b) the expenditure incurred on the *project* in the reporting period.

#### **Contingent project expenditure**

7.2.9 For *projects* the *AER* has approved as a contingent project in a revenue determination and for which a trigger event has occurred, the *interconnector* must report operating expenditure incurred on the project during the *reporting period*.

### **7.3 Material projects**

7.3.1 The data requirements are as specified in the tables and definitions in data workbook 07. There are no additional instructions.

## 8 Workbook – Asset base values

### 8.1 Standard control

#### Regulatory accounts (PTS)

*Indicative total regulatory asset base roll forward (within period)*

*Indicative total tax asset base roll forward (within period)*

8.1.1 The *interconnector* must report the required data in accordance with the AER's Roll Forward Model, and the definitions in *Data workbook 08 - Asset base values*.



## 9 Workbook – Revenue and financial statements

### 9.1 Audited Statutory accounts

#### Income statement

- 9.1.1 The data requirements are set out in *Data workbook 09 – Revenue and financial statements*, with additional context provided by the general instructions in this document.
- 9.1.2 The *interconnector* must disaggregate Other Revenue where the revenue represents greater than 5 percent of the total revenue reported for Prescribed transmission services.
- 9.1.3 The *interconnector* must disaggregate Network operations and maintenance – other expenditure where the expenditure is greater than 5 per cent of the total expenditure reported for Prescribed transmission services.
- 9.1.4 The *interconnector* must disaggregate Other expenditure where the expenditure is greater than 5 per cent of the total expenditure reported for Prescribed transmission services.

### 9.2 Regulatory accounts (PTS)

#### Income statement

- 9.2.1 The data requirements are set out in *Data workbook 09 – Revenue and financial statements*, with additional context provided by the general instructions in this document.
- 9.2.2 The *interconnector* must disaggregate Other Revenue using the same categories as reported under Audited statutory accounts.
- 9.2.3 The *interconnector* must disaggregate Network operations and maintenance – other expenditure using the same categories as reported under Audited statutory accounts.
- 9.2.4 The *interconnector* must disaggregate Other expenditure using the same categories as reported under Audited statutory accounts.

#### Disaggregated Revenue

##### *Revenue rewards and penalties – Incentive schemes*

- 9.2.5 The *interconnector* must report the penalties or rewards of incentive schemes in this table. The *interconnector* must report the penalties or rewards from the schemes applied by previous jurisdictional regulators that are equivalent to the service target performance incentive scheme (STPIS) or efficiency benefit sharing scheme (EBSS) against the line items for those schemes.
- 9.2.6 Reported revenues must reflect the effect on revenues of incentive schemes in the year that the penalty or reward is applied (as opposed to when it was earned which depending on the scheme may be in earlier years). For instance, if the *interconnector* is rewarded extra revenues for performance under the STPIS in 2019 and gains these revenues in 2021 these revenues must be reported in the 2021 year only.

## 9.3 Provisions

- 9.3.1 The *interconnector* must report data on total provisions in accordance with the requirements of the Cost Allocation Approach and the Regulatory Accounting Statements that were in effect for the *reporting period*.
- 9.3.2 The *interconnector* must report data for each of its individual provisions. A provision is an account that records a specific present liability of an entity to the *interconnector*. Examples of provision accounts include employee entitlements, doubtful debts and uninsured losses.
- 9.3.3 The *interconnector* must report provisions in accordance with the principles and policies applying in the *reporting period*.

## 9.4 Other financial data

### Revenue Reconciliation

- 9.4.1 The data requirements are set out in *Data workbook 09 – Revenue and financial statements*, with additional context provided by the general instructions in this document. There are no additional instructions.

### Related party transactions

- 9.4.2 The *interconnector* must report the value of any material related party transactions attributed to, or allocated between, categories of transmission services provided by the *interconnector*.

### Price reduction /recovery

- 9.4.3 The data requirements are set out in *Data workbook 09 – Revenue and financial statements*, with additional context provided by the general instructions in this document. There are no additional instructions.