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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)ADDRESSSUBURB 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 information that must be provided to the AER and prepared and maintained and the requirements that must be complied with 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.

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 in accordance with section 28M(e) of the NEL;
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, in accordance with section 28M(d); and

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

* + - 1. 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
* words printed in italics like *this* will have the meaning given in Appendix F of this *Notice* or in the table below, or the meaning given in Chapter 10 of the *NER* if that term is not defined in this *Notice*.

|  |  |
| --- | --- |
| Term | Definition |
| *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. |
| *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. |
| *Financial Information*  | Information that is measured in monetary terms. |
| *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 Regulatory Years. |
| *Materially* | Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively to influence the economic decisions of users (including the AER) taken on the basis of the information provided in accordance with the Notice.This definition is based on the definition of materiality in the accounting standard AASB 1031. This accounting standard provides context for the interpretation of this definition of materiality. |
| *Non-financial Information* | Numerical information that is not measured in monetary terms. |
| *Regulatory Year* | As defined in the NER |
| *Subsequent Regulatory Years* | Each Regulatory Year commencing from 2014 for which TNSP must update the Regulatory Templates for information relevant to that year. |

DATED: **26 March 2014**

……………………………………………………………….
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 Workbooks attached at Appendix A completed in accordance with:
			1. this Notice; and
			2. the Principles and Requirements in Appendix E.
		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 Workbooks attached at Appendix A; and
			2. any other information prepared in accordance with the requirements of this Notice.
		3. Provide information or supporting 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 workbooks 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 workbooks 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 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 to 30 June 2024, all information prepared under this Schedule 2.

# APPENDIX A: REGULATORY TEMPLATES

See attached Microsoft Excel Workbooks titled:

1. ‘***A******ER Category Analysis data templates for transmission network service providers*** ***– Consolidated information.xlsx’***
2. ‘***A******ER Category Analysis data templates for transmission network service providers*** ***– Actual information.xlsx’***
3. ‘***A******ER Category Analysis data templates for transmission network service providers*** ***– Estimated information.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,1make the following declaration under the *Statutory Declarations Act 1959:* |
| *2 Set out matter declared to in numbered paragraphs* | 21. 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 26 March 2014 ( (**Notice**) served on TNSP by the Australian Energy Regulator (**AER**).
2. 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:
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 Workbooks attached at Appendix A;
			2. *Estimated Financial Information* in the Microsoft Excel Workbooks 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 Workbooks 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 the Initial Regulatory Years, the information subject to audit or review in paragraph 1.1 is limited to the Regulatory Years from 2009 to 2013, inclusive. 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:
				1. 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; or
				2. the Auditor-General of State;
			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. does not satisfy all of the requirements in paragraph 2.1(a);
			2. is an assurance practitioner as defined in ASAE 3000 Assurance engagements other than audits or reviews of historical financial information; and
			3. 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 *Estimated**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 *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 and final regulatory information notices for category analysis (December 2013 and March 2014).

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 TNSP 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.

Furthermore, we had regard to the regulatory purposes in preparing and providing the draft of the Notice. Subsequently, the AER has considered written and oral representations made by network service providers in response to the draft *Notice*, including issues they raised regarding the contents of the *Notice* and the nature of the obligations to comply with it. In response to those representations, we have made significant amendments to the draft of the *Notice*. In particular, we have reduced the scope of the information that we require and we have modified some procedural requirements set out in the Notice. In making these changes we again had regard to the matters to be addressed by the service of the Notice and to the likely costs that may be incurred by an efficient network service provider in complying with the Notice.

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

# APPENDIX E: PRINCIPLES AND REQUIREMENTS

## GENERAL

* + 1. In responding to this Notice TNSP must allocate costs, for all regulatory years, in accordance with the AER approved cost allocation methodology in effect for that Regulatory Year.
		2. TNSP must provide all information required in the *Regulatory Templates*, subject to the following exceptions:
			1. Weather corrected maximum demand (see paragraphs 8.6(a) and 8.13(b))
			2. *Connection point* rating (see paragraph 8.11(b))
			3. Adjustments to demand data for embedded generation (see paragraphs 8.5(b) and 8.12(c))
			4. Vegetation *inspections* expenditure (see paragraph 11.11)
			5. Vegetation *audit* expenditure (see paragraph 11.12)
			6. Outages and *fire starts* caused by defined vegetation sub-causes (see paragraph 11.15).
		3. The exceptions referred to in paragraph 1.2 are identified in the *Regulatory Templates* with orange coloured cells. TNSP may only be exempted from inserting data into these cells and must instead colour them black if TNSP:
			1. does not currently collect or report this information; and
			2. identifies this in its basis of preparation.
		4. The exceptions referred to in paragraph 1.2 apply for *Initial Regulatory Years* and *Regulatory Year* 2014 only. For *Regulatory Years* 2015 and thereafter, TNSP must provide this information.
		5. TNSP is exempted from its obligation to provide only *actual information* for *Subsequent Regulatory Years* for the following items (that is, may provide *estimated information* on an ongoing basis):
			1. *average number of trees per maintenance span* as requested in regulatory template 2.6; and
			2. the mean and standard deviation for *economic life* requested in *regulatory template* 4.1.
		6. Data for cells in *Regulatory Templates* coloured grey or containing formulae do not require input and must not be amended by TNSP.
		7. 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:
			1. why it could not use actual information;
			2. how TNSP derived the estimate; and
			3. why it is TNSP’s best estimate.
		8. All capex and opex provided to the AER in response to this *Notice* must be in nominal dollars, unless specified otherwise.
		9. TNSP must provide any calculations used to convert real to nominal dollars for the purposes of providing the information required under clause 1.8 above.
		10. Capex and associated data (such as asset volumes) reported in *Regulatory Templates* 2.2 to 2.12, and 4.1, must be reported against the *Regulatory Year* on a *project close* basis, unless otherwise indicated.
		11. Subject to exceptions in the case of non-network expenditures (see paragraph 9.1), expenditures reported in *Regulatory Templates* 2.2 to 2.7 must be *Direct Costs* only, and exclude expenditures on *Overheads*.
		12. TNSP must complete the *Regulatory Templates* (“AER Category Analysis data templates for transmission network service providers– Consolidated Information.xlsx”) and ensure it contains all information required by the *Notice*. TNSP must then copy all *Actual Information* to the Microsoft Excel Workbook titled “AER Category Analysis data templates for transmission network service providers – Actual Information.xlsx” and all *Estimated Information* to the Microsoft Excel Workbook titled “AER Category Analysis data templates for transmission network service providers – Estimated Information.xlsx”.

## RECONCILIATION AND SUMMARY TABLES

* + 1. TNSP must calculate the expenditure on capex and opex reported in *Regulatory Templates* 2.2 to 2.8 and report these amounts in the corresponding rows in tables 2.1.1 and 2.1.2.
		2. The total expenditure for the capex and opex for each service classification in tables 2.1.1 to 2.1.2 of *Regulatory Template* 2.1 must be mutually exclusive and collectively exhaustive. Total capex in tables 2.1.1 to 2.1.2 of *Regulatory Template* 2.1 must be reported on an “as-incurred” basis.
		3. TNSP must report an amount that reconciles total capex and opex with the sum of the capex and opex line items in the “balancing item” row in each table in *Regulatory Template 2.1*. For the avoidance of doubt this means that the sum of each of the capex and opex line items in each of the tables in *Regulatory Template 2.1* minus the balancing item must equal the total capex or opex line item in these tables*.* To do this the balancing item must:
			1. Include the amount of capex and opex reported where these expenditures have been reported more than once within the *Regulatory Templates 2.2 – 2.8*; and
			2. Account for any differences arising due to the reporting of capex on a basis other than the “as-incurred” basis.
		4. TNSP must provide an excel spread sheet that contains the calculation of balancing items reported in *Regulatory Template 2.1*. At a minimum, this spread sheet must:
			1. for each instance where an expenditure item is reported more than once (i.e. double counted), identify:
				1. where that instance is reflected in expenditure included in the *Regulatory Templates*
				2. the value of that expenditure in each *Regulatory Template*
			2. identify each instance where the Notice requires TNSP to report *capex* not on an “as-incurred” basis in *Regulatory Templates* 2.2 to 2.8 and, for the relevant expenditure item, list its corresponding value when expressed on an “as incurred” basis.
		5. TNSP must provide a reconciliation between total capital and operating expenditure provided in tables 2.1.1 to 2.1.2 of Regulatory Template 2.1 to total capital and operating expenditure recorded in TNSP’s *Regulatory Accounting Statements* and *Audited Statutory Accounts*.

## BASIS OF PREPARATION

* + 1. TNSP must explain, for all information in the *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 provide *estimated information*:
				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. 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*.
		6. 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.

## LABOUR COST INFORMATION

* + 1. Only labour costs allocated to the provision of *prescribed transmission services* should be reported in the labour cost tables in *regulatory template* 2.9.
		2. 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.
		3. TNSP must break down its labour data (both employees and labour contracted through labour hire contracts) into the *Classification Levels* provided in the relevant table in the template. TNSP must explain how it has grouped workers into these *Classification Levels*.
		4. Labour related to each *classification level* obtained through labour hire contracts may be reported separately on separate lines to employee based labour. If TNSP wishes to do this they should add extra lines in the *regulatory template* below each *classification level* for which it wishes to separately report labour hire.
		5. The total cost of labour reported in *regulatory template* 2.9 must equal the total *Labour Costs* reported against the capex and opex categories listed in *regulatory template* 2.10.
		6. Quantities of labour, expenditure, or *stand down periods* should not be reported multiple times across labour tables However, labour may be split between tables (for example one worker could have half of their time allocated to *corporate overheads* and half of their time to *network overheads*).
		7. The *ASLs* for each *Classification Level* must reflect the average *Paid FTEs* for each *Classification Level* over the course of the year.
		8. ‘Per ASL’ values are average values per *ASL* in each *Classification Level*. For example, the average *productive work hours* per *ASL* would equal the total *productive work hours* associated with labour 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*).
		9. *Stand down periods* must be reported against the relevant *classification level* in the table containing the relevant labour. For example, a stand down of an electrical line apprentice would be reported against the apprentice *classification level* in the Total network direct internal labour costs table.

## REPLACEMENT CAPITAL EXPENDITURE

* + 1. Table 2.2.1 instructions:
			1. Where TNSP provides asset sub-categories corresponding to the prescribed asset categories in table 2.2.1, TNSP must ensure that the expenditure and asset replacement / asset failure 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. TNSP must provide corresponding age profile data in *regulatory template 4.1* as per its instructions.
			2. In instances where TNSP is reporting expenditure associated with *asset refurbishments/ life extensions capex* it must insert additional rows at the bottom of the table for the relevant asset group to account for this. TNSP must provide the required data, applying the corresponding asset category name followed by the word “REFURBISHED”. TNSP must provide corresponding age profile data in *regulatory template 4.1* as per its respective instructions.
			3. In instances where TNSP considers that both the prescribed asset group categories and the sub-categorisation provisions set out in (b) do not account for an asset on TNSP’s *transmission system*, 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. The line item titled “OTHER - PLEASE ADD A ROW IF NECESSARY AND NOMINATE THE CATEGORY” illustrates this requirement. TNSP must provide corresponding age profile data in *regulatory template 4.1* as per its respective instructions. TNSP must ensure that the sum of the individual asset categories, including any additional sub-category, additional other asset category or asset refurbishment/ life extension asset category expenditure reconciles to the total expenditure of the asset group.
			4. TNSP must ensure that the replacement volumes by asset group level is equal to the applicable replacement volume data provided in table 2.2.2.
			5. TNSP must ensure that the sum of the asset group replacement expenditures is equal to the total replacement expenditure contained in *regulatory template 2.1.*
			6. If TNSP has provided estimated expenditure data on the basis of historical data that has included works across asset groups TNSP must provide the asset age profile data in *regulatory template 4.1* against the most elementary asset category. For example, where TNSP replaces substation switchbay in conjunction with a substation power transformer it must report the asset age profile data against the relevant substation switchbay asset category. TNSPmust provide documentation of instances where backcast unit costs generated have involved allocations of historical records that include expenditure across asset groups.
		2. Table 2.2.2 instructions:
			1. TNSP must provide total volume of assets currently in commission and replacement volumes of certain asset groups by specified aggregated metrics. In instances where this information is estimated TNSP must explain how it has determined these volumes, detailing the process and assumptions used to allocate asset volumes to the aggregated metrics.

## ASSET AGE PROFILE

* + 1. Table 4.1.1 instructions:
			1. Where TNSP provides asset sub-categories corresponding to the prescribed asset categories in table 4.1.1, TNSP must ensure that the expenditure and asset replacement / asset failure 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. TNSP must provide corresponding replacement expenditure data in *regulatory template 2.2* as per its respective instructions.
			2. In instances where TNSP is reporting expenditure associated with asset refurbishments/ life extensions capex it must insert additional rows at the bottom of the table for the relevant asset group to account for this. TNSP must provide the required data, applying the corresponding asset category name followed by the word “REFURBISHED”. TNSP must provide corresponding replacement expenditure data in *regulatory template 2.2* as per its respective instructions.
			3. In instances where TNSP considers that both the prescribed asset group categories and the asset sub-categorisation do not account for an asset on TNSP’s *transmission system*, 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. The line item titled “OTHER - PLEASE ADD A ROW IF NECESSARY AND NOMINATE THE CATEGORY” illustrates this requirement. TNSP must provide corresponding replacement expenditure data in *regulatory template 2*.2 as per its respective instructions.
			4. In instances where TNSP wishes to provide asset sub-categories in addition to the specified asset categories in table 4.1.1, TNSP must provide a weighted average asset economic life, including mean and standard deviation that reconciles to the specified asset category in accordance with the following formula:

$$Economic life of asset category=\sum\_{i=1}^{n}\left(\left(\frac{value of asset sub-category\_{i}}{total value of asset category}\right)×economic life of asset sub-category\_{i}\right)$$

 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 profile.*

## AUGEX PROJECT DATA

* + 1. General instructions for *regulatory template* 2.3:
			1. TNSP must include only projects and expenditure related to *augmentation* of the *network*.
			2. Unless otherwise indicated, 'Rating' or ‘*MVA* added’ refers to equipment's *normal cyclic rating (for substations)* or *thermal rating (for lines and cables)*. As specified in the respective definitions of *normal cyclic rating (for substations)* and *thermal rating (for lines and cables)*, TNSP must provide its definition(s) of ‘normal conditions’ in the *basis of preparation*.
			3. TNSP must not include information for gifted assets.
			4. TNSP must enter *related party* and *non related party contracts* expenditures in the ‘All *related party contracts*’ and ‘All non *related party contracts*’ columns, respectively.
				1. Expenditure figures inputted into the ‘All *related party contracts*’ and ‘All non *related party contracts*’ columns do not contribute to the column that calculates the total direct expenditure on an augex project (‘Total direct expenditure’).
				2. TNSP must record all contract expenditure for augex projects under the ‘All *related party contracts*’ and ‘All non *related party contracts*’ columns. TNSP must then allocate such contract expenditure to the appropriate ‘Plant and equipment expenditure and volume’ and ‘Other expenditure columns. For example, if a non *related party contract* involves expenditure on *civil works*, TNSP must record that expenditure under the ‘All non *related party contracts*’ and ‘Other expenditure – *Civil works*’ columns.
			5. TNSP must not include *augmentation* information relating to *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 (on *regulatory template* 2.3) instructions:
			1. For projects with a total cumulative expenditure over the life of the project of greater than or equal to $5 million (nominal):
				1. insert a row for each *augmentation* project on a *substation* owned and operated by TNSP where *project close* occurred at any time in the years specified; and
				2. input the required details.
			2. For projects with a total cumulative expenditure over the life of the project less than $5 million (nominal) (non material projects):
				1. input the total expenditure for all non material *augmentation* projects on a *substation* owned and operated by TNSP where *project close* occurred in the years specified in the penultimate line in the table, as indicated.
			3. Record all expenditure data on a *project close* basis in real dollars ($2012–13). TNSP must not include data for *augmentation* works where *project close* occurs after the years specified but incurs expenditure prior to this date.
				1. TNSP must provide any calculations used to convert real to nominal dollars or nominal to real dollars for this purpose.
			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 *basis of preparation*.
			5. Each row must represent data for an *augmentation* project for an individual *substation*.
				1. If an *augmentation* project applies to two *substations*, for example, TNSP must enter data for the two *substations* in two rows.
			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 *basis of preparation*.
			7. Where TNSP chooses 'Other - specify' in a drop down list, it must provide details in the *basis of preparation*.
			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 ‘Project trigger’, choose the primary trigger for the project from the drop down list. Describe secondary triggers in the *basis of preparation*. Where there is no primary trigger (among multiple triggers), choose ‘Other – specify’ and describe the triggers in the *basis of preparation*.
			10. 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.
			11. 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.
			12. Under 'Total expenditure' for *transformers*, *switchgear*, *reactive plant*, and other plant items, include only the procurement costs of the equipment. This must not include installation costs.
			13. Expenditure inputted under the ‘Land and *easements*’ columns is mutually exclusive from expenditure that appears in the columns that sum to the ‘Total direct expenditure’ column. In other words, the ‘Total direct expenditure’ for a particular project must not include expenditure inputted into the ‘Land and *easements*’ columns.
			14. If TNSP records land and *easement* projects and/or expenditures as separate line items for regulatory purposes, select ‘Other – specify’ from the ‘Project type’ drop down list and note ‘Land/*easement* expenditure’ in the *basis of preparation*.
				1. TNSP must input expenditure directly attributable to the land purchase or *easement* compensation payments in the ‘Land purchases’ and ‘*Easements*’ columns, respectively. These costs include legal, stamp duties and cost of purchase or *easement* compensation payments.
				2. TNSP must input other expenditure attributable to land purchases and *easements* in the ‘Other expenditure – Other direct’ column.
			15. Insert additional rows as required.
			16. Definitions: Other plant item
				1. All equipment involved in utilising or transmitting electrical energy that are not *transformers*, *switchgear*, or *reactive plant*.
		3. Table 2.3.2 (on *regulatory template* 2.3) instructions:
			1. For projects with a total cumulative expenditure over the life of the project of greater than or equal to $5 million (nominal):
				1. insert a row for each *augmentation* project on a *line* or *cable* owned and operated by TNSP where *project close* occurred at any time during the years specified; and
				2. input the required details.
			2. For projects with a total cumulative expenditure over the life of the project less than $5 million (nominal) (non material projects):
				1. input the total expenditure for all non material augmentation projects on *lines* or *cables* owned and operated by TNSP where *project close* occurred in the years specifiedin the penultimate line in the table, as indicated.
			3. Record all expenditure data on a *project close* basis in real dollars ($2012–13). Hence, TNSP must not include data for *augmentation* works where *project close* occurs after the years specified but incurs expenditure prior to this date.
				1. TNSP must provide any calculations used to convert real to nominal dollars or nominal to real dollars for this purpose.
			4. For the avoidance of doubt, this includes *augmentation* works on any *line* or *cable* in TNSP’s *network*, including those which are notionally operating at distribution *voltages*. In such cases, describe the type of *line* or *cable* in the *basis of preparation*.
			5. Each row should represent data for all circuits of a given *voltage* subject to *augmentation* works under the Project ID.
				1. If an *augmentation* project applies to two circuits of the same *voltage*, for example, TNSP must enter data for the two circuits in one row.
				2. If an *augmentation* project applies to two circuits of different *voltages*, for example, TNSP must enter data for the two circuits in two rows
			6. Where a *lines* or *cables* *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 *basis of preparation*.
			7. Where TNSP chooses 'Other - specify' in a drop down list, provide details in the *basis of preparation*.
			8. For ‘Line ID’, input TNSP’s identifier for the circuit(s) subject to *augmentation* works under the Project ID. This may be the circuit name(s), location and/or code.
			9. For 'Project ID', input TNSP’s identifier for the project. This may be the project name, location and/or code.
			10. For ‘Project trigger’, choose the primary trigger for the project from the drop down list. Describe secondary triggers in the *basis of preparation*. Where there is no primary trigger (among multiple triggers), choose ‘Other – specify’ and describe the triggers in the *basis of preparation*.
			11. For *line* and *cable* 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* or *cable* rating does not undergo any change, or where the project relates to the establishment of a new *line* or *cable*, input the metric only in the 'Post' column.
			12. For length metrics, 'km added' refers to the gross addition of the relevant length measure resulting from the *augmentation* work.
				1. This must not be net of *line* or *cable* removal. If the *augmentation* project includes *line* or *cable* removal, describe the amount in the *basis of preparation*.
			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*, *cables* and ‘other plant item’, respectively, 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/poles*. As a guide, expenditure TNSP may input under ‘Other expenditure – *Civil works*’ includes (but is not limited to) construction of access tracks, construction pads and vegetation clearance.
			16. Expenditure inputted under the ‘Land and *easements*’ columns is mutually exclusive from expenditure that appear in the columns that sum to the ‘Total direct expenditure’ column. In other words, the ‘Total direct expenditure’ for a particular project must not include expenditure inputted into the ‘Land and *easements*’ columns.
			17. If TNSP records land and *easement* projects and/or expenditures as separate line items for regulatory purposes, select ‘Other – specify’ in the ‘Project type’ drop down list and note ‘Land/easement expenditure’ in the *basis of preparation*.
				1. TNSP must input expenditure directly attributable to the land purchase or *easement* compensation payments in the ‘Land purchases’ and ‘*Easements*’ columns, respectively. These costs include legal, stamp duties and cost of purchase or *easement* compensation payments.
			18. TNSP must input other expenditure attributable to land purchases and *easements* in the ‘Other expenditure – Other direct’ column.
			19. Insert additional rows as required.
			20. 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)*, *lines* or *cables*.
				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.
				1. Record all expenditure data on an ‘as incurred’ basis in nominal dollars.
			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.

## DEMAND

General instructions for *regulatory templates* 4.2 and 4.3

* + 1. TNSP must enter figures in yellow-shaded cells.
			1. TNSP must enter figures in orange-shaded cells where it collects such information. Further instructions are provided for specific items below.
		2. For the ‘*Winter/Summer peaking*’ line item, the NSP is to indicate the season in which the *maximum demand* occurred by entering ‘Winter’ or ‘Summer’ as appropriate.
		3. Where the seasonality of TNSP’s *maximum demand* does not correspond with the form of its regulatory years, TNSP must explain its basis of reporting MD in the *basis of preparation*. For example, if TNSP forecasts expenditure on a financial year basis but forecasts MD on a calendar year basis because of winter MD, TNSP would state that it reports MD on a calendar year basis and describe, for example, the months that it includes for any given regulatory year.

**Network level**

Instructions for *regulatory template* 4.2

* + 1. Input *maximum demand* information at the *network* level in *MW*.
		2. TNSP must provide inputs for ‘*Embedded generation*’ if it has kept and maintained historical data for *embedded generation* downstream of *connection points* and if it accounts for such *embedded generation* in its *maximum demand* forecast.
			1. TNSP must describe the type of *embedded generation* data it has provided in the *basis of preparation*. For example, TNSP may state that it has included *scheduled*, *semi-scheduled* and *non-scheduled embedded generation*. In this example, we would be able to calculate *native demand* by adding these figures to raw *maximum demand*.
			2. If TNSP has not kept and maintained historical data for *embedded generation* downstream of *connection points*, it may estimate the historical *embedded generation* data or shade the cells black. For *Regulatory Years* 2015 and thereafter TNSP must provide *embedded generation* data. It must do similarly if it accounts for *embedded generation* in its system level *maximum demand* forecast.
		3. TNSP must provide inputs for the appropriate cells if it has calculated historical weather corrected *maximum demand*.
			1. Where TNSP does not calculate weather corrected *maximum demand* it may estimate the historical weather corrected data or shade the cells black. For *Regulatory Years* 2015 and thereafter TNSP must provide weather corrected *maximum demand* in accordance with best regulatory practice *weather correction* methodologies.

**Spatial**

Instructions for *regulatory template* 4.3

* + 1. In tables 4.3.1 and 4.3.2, TNSP must input *maximum demand* information for *connection points*.
			1. TNSP must insert rows into the tables for each of its *connection points*. TNSP must note instances where it de-commissions components of its *network* belonging to that segment in the *basis of preparation*.
		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 *MW* occurred. In such instances, TNSP must enter the *maximum demand* in *MVA* in the *basis of preparation*, noting the regulatory year in which it occurred.
		3. If either the *MW* or *MVA* measure is unavailable, calculate the *power factor* conversion as an approximation based on best engineering estimates.
		4. If TNSP cannot use *raw unadjusted maximum demand* as the basis for the information it provides in tables 4.3.1 and 4.3.2, it must describe the methods it employs to populate those tables. See clause 3.4(d) for further guidance.
		5. TNSP must input the *connection point* rating. For tables 4.3.1 and 4.3.2, rating refers to *normal cyclic rating*.
			1. TNSP must provide the seasonal rating that corresponds to the time of the *raw adjusted maximum demand*. For example, TNSP must provide the summer *normal cyclic rating* of the network segment if the *raw adjusted maximum demand* occurred in summer.
			2. Where TNSP does not keep and maintain *connection point* rating information (for example, where the DNSP owns the assets to which such ratings apply), it may estimate this information or shade the cells black.
		6. TNSP must provide inputs for ‘*Embedded generation*’ if it has kept and maintained historical data for *embedded generation* downstream of the *connection point* and/or if it accounts for such *embedded generation* in its *maximum demand* forecast.
			1. TNSP must allocate *embedded generation* figures to the appropriate *connection point* under system normal conditions (consistent with the definition of *raw adjusted maximum demand*).
			2. TNSP must describe the type of *embedded generation* data it has provided. For example, TNSP may state that it has included *scheduled*, *semi-scheduled* and *non-scheduled embedded generation* in the tables for *connection points*. In this example, we would be able to calculate *native demand* by adding these figures to the *raw adjusted maximum demand* figures.
			3. If TNSP has not kept and maintained historical data for *embedded generation* downstream of the *connection point*, it may estimate the historical *embedded generation* data or shade the cells black. For *Regulatory Years* 2015 and thereafter TNSP must provide *embedded generation* data. It must do similarly if it accounts for *embedded generation* in its spatial *maximum demand* forecast.
		7. TNSP must provide inputs for the appropriate cells if it has calculated historical weather corrected *maximum demand*.
			1. TNSP must describe its *weather correction* process in the *basis of preparation*. TNSP must describe whether the weather corrected *maximum demand* figures provided are based on *raw adjusted maximum demand* or *raw unadjusted maximum demand* or another type of *maximum demand* figure.
			2. Where TNSP does not calculate weather corrected *maximum demand* it may estimate the historical weather corrected data or shade the cells black. For *Regulatory Years* 2015 and thereafter TNSP must provide weather corrected *maximum demand* in accordance with best regulatory practice *weather correction* methodologies.
		8. Tables requesting system coincident data are referring to the demand at that particular point on the *network* (*connection point*) at the time of system (or *network*) peak.
			1. For example, table 4.3.2 requests information about the *maximum demand* on *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 requests information about *non-coincident maximum demand* at *connection points*. In table 4.3.1, TNSP must provide information about the *maximum demand* at each *connection point* in each year, which may not correspond to demand at the time of system peak.
			3. If TNSP does not record and/or maintain spatial *maximum demand* coincident to the system *maximum demand*, TNSP must provide spatial *maximum demand* coincident to a higher *network* segment. TNSP must specify the higher *network* segment to which the lower network segment is coincident to in the *basis of preparation*. For example, if TNSP does not maintain *maximum demand* data for *connection points* coincident to the system *maximum demand*, TNSP may provide *maximum demand* data coincident to regional demand. In this example, TNSP would specify the relevant region in the *basis of preparation*.

## NON-NETWORK EXPENDITURE

* + 1. If expenditure is directly attributable to an expenditure category in this *regulatory template* 2.5, it is a *Direct Cost* for the purposes of this *regulatory template* 2.5. Report all capex and/or opex *Direct Costs* as required, irrespective of whether any *Direct Costs* are also classified as *Corporate Overheads*, *Network Overheads* or other *capex* or *opex categories*. To the extent this results in multiple reporting of expenditures, identify this in accordance with instructions at paragraph 2.3 above.
		2. For example, and for the avoidance of doubt, *Motor Vehicle expenditure* directly attributable to direct expenditure categories, for example *motor vehicle expenditure* directly attributable to activities giving rise to *replacement capital expenditure*, must be included in the expenditure reported in those *replacement capital expenditure* categories and any reported unit costs.
		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. Add additional rows to disaggregate cost categories as TNSP considers required.
		5. In relation to the *Non-network Other expenditure* category, if TNSP has incurred $1 million or more (nominal) in *capital expenditure* over the last five *regulatory years* for a given type or class of assets (e.g. mobile cranes), TNSP must insert a row in the *regulatory template* andreport that item separately*.*

## MAINTENANCE EXPENDITURE

* + 1. For expenditure incurred for the simultaneous inspection of assets and vegetation or for *access track maintenance*, report this expenditure under *maintenance*, not *vegetation management*.
		2. For each of the *maintenance* subcategories prescribed in the template, add rows for additional subcategories if these are material and necessary to disaggregate financial or non-financial data, for example, to disaggregate asset groups according to voltage levels or to specify inspection/maintenance cycles.
		3. For each *maintenance* subcategory, provide in separate columns the data for inspection cycles and maintenance cycles.
		4. For the *inspection cycle* for each *maintenance* subcategory, express this as n in the statement ‘every n years’. For example, if the inspection cycle is ‘every 6 years’, put in ‘6’ in the inspection cycle column.
		5. Similarly, for the *maintenance cycle* for each maintenance subcategory, express this as n in the statement ‘every n years’. For example, if the maintenance cycle is ‘every 3 years’, put in ‘3’ in the maintenance cycle column.
		6. For inspection and maintenance cycles, asset quantity, and average age of the asset group, use the highest-value (i.e. highest replacement cost) asset type in the asset group as the basis.
		7. Where there are multiple inspection and maintenance activities, report the cycle that reflects the highest cost activity.
		8. Adding rows for additional asset subcategories to specify inspection/ maintenance cycles (i.e. non-financial data) does not require disaggregating the corresponding financial data for those additional asset subcategories.
		9. For ‘Asset Quantity’, provide in separate columns:
			1. the total number of assets (population) at the end of the regulatory year, for each asset category
			2. the number of assets actually inspected or maintained during the regulatory year, for each asset category
		10. For ‘Other *maintenance* activity’, add rows for *maintenance* expenditure subcategories if these are material and if these are not yet included in any other *maintenance* expenditure subcategory.

## 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 is a *vegetation management zone*.
		3. Accordingly, each part of the network will be covered by only one *vegetation management zone*.
		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 2.6.2 for each *vegetation management zone*, adding additional tables where required.
		6. To add additional *vegetation management zones* on *regulatory template* 2.6, copy the zone tables within table 2.6.1 and 2.6.2 and paste them at the bottom of each respective table.
		7. For each *vegetation management zone* identified in 11.1 above, provide in the *basis of preparation*:
			1. a list of regulations that impose a material cost on performing *vegetation management* works (including, but is not limited to, bushfire mitigation regulations);
			2. a list of any self-imposed standards from TNSP’s *vegetation management* program which apply to that zone; and
			3. an explanation of the cost impact of regulations and self-imposed standards on performing *vegetation management* work.

**Descriptor metrics by zone table**

* + 1. If TNSP records poles and towers rather than spans, the number of spans is the number of poles and towers less one.
		2. 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. When completing the templates for subsequent regulatory years, if TNSP can provide actual information for the *average number of trees per maintenance span* it must do so; otherwise TNSP must provide estimated information.
		3. If TNSP performs *vegetation management* work on multiple *cutting cycles* within its nominated *vegetation management zones*, provide a simple average of the *cutting cycles*.

**Expenditure metrics by zone table**

* + 1. Only include expenditure on *inspections* where TNSP inspects solely for the purpose of assessing vegetation. Include *inspection* expenditure for inspections assessing both TNSP’s *assets* and vegetation under *maintenance* (*regulatory template* 2.7). If TNSP does not record expenditure on *inspections* of vegetation separately, TNSP may shade the cells black. For the *Regulatory Years* including and after 2015, TNSP must provide data on *inspection* expenditure.
		2. If auditing of *vegetation management* work is not recorded separately, include these expenditures within *inspection* expenditure. If TNSP does not record expenditure on *audits* of *vegetation management* work separately, TNSP may shade the cells black. For *Regulatory Years* 2015 and thereafter, TNSP must provide data on auditing expenditure.
		3. Annual *vegetation management* expenditure across all categories and zones must sum up to the total *vegetation management* expenditure each year. In table 2.6.2, add any other *vegetation management* expenditure not requested in any other part of *regulatory template* 2.6 (or added in *regulatory template* 2.7) in TNSP’s estimate of total annual *vegetation management* expenditure. In the *basis of preparation*, explain the expenditures that have been included in this table.

**Unplanned vegetation events table**

* + 1. In table 2.6.3, fill out the *unplanned vegetation events* table once, providing the requested information across TNSP’s entire network.
		2. TNSP is not required to provide information requested in table 2.6.3 for Initial Regulatory Years where it does not currently have it, and may shade the cells black. However, for *Regulatory Years* 2015 and thereafter, TNSP must provide this information.

## OVERHEADS EXPENDITURE

* + 1. Report *overhead* expenditure before it is allocated to services or direct expenditure, and before any part of it is capitalised.
		2. Report *network overhead* expenditure under either *maintenance support*, *network monitoring & control*, or *asset management support*.
		3. For the avoidance of doubt, the following *overhead* expenditures should be provided in regulatory templates 2.8.1 and 2.8.2:
			1. Maintenance Support – If TNSP previously reported *maintenance support* expenditure in its *Regulatory Accounting Statements*, TNSP must report these under *maintenance support* in regulatory template 2.8.1. These expenditures include, but are not limited to:
				1. Field support
				2. Engineering services
				3. Works planning and coordination.
			2. Network Monitoring & Control – If TNSP previously reported *network monitoring and control* expenditure in its *Regulatory Accounting Statements*, TNSP must report these under *network monitoring & control* in regulatory template 2.8.1. These expenditures include, but are not limited to:
				1. Network switching
				2. Network Management System (NMS) support
				3. Transmission operations.
			3. Asset Management Support – If TNSP previously reported *asset management support* expenditure in its *Regulatory Accounting Statements*, TNSP must report these under *asset management support* in table 2.8.1 in *regulatory template* 2.8. These expenditures include, but are not limited to:
				1. Grid planning
				2. Network support
				3. Customer support
				4. Property management
				5. Asset management
				6. Customer management, including customer billing
				7. Asset works program.
			4. Corporate Overhead – If TNSP previously reported corporate overhead or corporate support expenditure in its *Regulatory Accounting Statements*, TNSP must report these under *corporate overhead* in table 2.8.2 in *regulatory template* 2.8. These expenditures include, but are not limited to:
				1. Taxes and charges
				2. Insurance
				3. Self-insurance
				4. Debt raising costs
				5. Equity raising costs
				6. Corporate support
				7. Regulatory support/management
				8. Business services
				9. Corporate governance and planning
				10. OH&S
				11. Finance
				12. Human resources
				13. IT support.
		4. If there is any overhead expenditure that is capitalised:
			1. explain, in the Basis of Preparation, why it is capitalised
			2. if there is a material change in reported expenditures in the *Initial Regulatory Years* or in *Subsequent Regulatory Years* due to a change in capitalisation policy, identify the expenditure categories and quantum of capex and opex that are affected and explain this in the Basis of Preparation.

# APPENDIX F: DEFINITIONS

|  |  |
| --- | --- |
| Term | Definition |
| *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 ordinary time hours costs - average productive work hours hourly rate per ASL* | The regulatory year’s average *productive work hours* spent on *prescribed transmission services* hourly rate per *ASL* for each *Classification level* including *labour costs* that are direct on costs related to *Labour costs* – ordinary time earnings. This includes all direct costs associated with non-productive hours related to ordinary time hours spent on *prescribed transmission services* (e.g. costs associated with annual leave accrued from working ordinary hours). NSP 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. *Labour costs -* 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 including allowances.. Fixed costs associated with *Labour costs – other earnings, on costs and* taxes, for example training, should be reported as costs of ordinary time hours.
3. *Labour costs* – super that are directly related to ordinary time salaries and wages in the year.
 |
| *Annual ordinary time hours costs - productive work hours per ASL* | The average *productive work hours* per regulatory year per *ASL* in each *Classification level* spent on *prescribed transmission services* work that are *Labour costs* – ordinary time earnings. |
| *Annual overtime hours costs - average productive work hours hourly rate per ASL* | The regulatory year’s average *productive work hours* spent on *prescribed transmission services* hourly rate per *ASL* for each *Classification level* including *labour costs* that are direct on costs related to productive overtime hours that are not *Labour Costs – ordinary time earnings*. This includes all direct costs associated with *non-productive work hours* related to overtime hours spent on *prescribed transmission services*. NSPs 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 *productive work hours* paid as overtime and includes costs that are: 1. *Labour costs -* 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 including allowances. Only incremental costs associated with overtime should be reported against overtime hours costs, for example payroll tax on overtime payments.
3. *Labour costs* – super that are directly related to overtime salaries and wages in the year
 |
| *Annual overtime hours costs - productive hours per ASL* | The average overtime hours for the regulatory year paid per *ASL* for each *Classification level* per year spent on *prescribed transmission services*. Overtime hours are paid *productive work hours* that are not *Labour costs – ordinary time earnings*. Note: for a given *classification level* average overtime *productive work hours* per *ASL* in regulatory year X spent on *prescribed transmission services* plus average ordinary time earnings *productive work hours* per *ASL* in regulatory year X spent on *prescribed transmission services* should equal average total *productive work hours* per *ASL* in regulatory year X spent on *prescribed transmission services*. |
| *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 rand staff engaged under labour hire agreements engaged on *prescribed transmission services* receiving salary or wages (Paid FTE) by the organisation in a given *Classification level* averaged over the regulatory year. For avoidance of doubt, one full time employee equating to one FTE over the course of the year (for both *prescribed transmission services* work and other work) that spends 50% of their time on *prescribed transmission services* work is 0.5 *ASL*. |
| *Annual totals - average productive work hours per ASL.* | The average work hours for the regulatory year per *ASL* in each *Classification level* spent on *prescribed transmission services* work that are *productive work hours* (i.e. not including *non-productive work hours*). |
| *Annual totals – total labour costs* | The total *Labour Costs* associated with the total *ASLs* in a given *Classification level* |
| *ASL* | Average Staffing Level. One *ASL* is one full-time equivalent employee undertaking *prescribed transmission services* work receiving salary or wages (*Paid FTE)* over the entire year. For avoidance of doubt, one full time employee equating to one FTE over the course of the year( for both *prescribed transmission services* and other work) that spends 50% of their time on *prescribed transmission services* work is 0.5 *ASL.* |
| *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 workbooks 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
 |
| *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 breakdown of *paid FTE* (ASLs) by *classification levels* within the organisation.  |
| *Contract* | A legally binding contract |
| *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.
 |
| *Direct Network Labour* | Only includes workers who primarily undertaking field work in their job. This includes:* field tradespeople including workers working in filed depots (e.g. fitters and turners and mechanics working in depots).
* Apprentices training for work that would primarily be field work (i.e. irrespective of whether most of their current work or training is not undertaken in the field)
 |
| *Documents* | Includes correspondence, notices, circulars, memoranda, minutes, notes, reports, contracts or agreements in the possession, power or control of TNSP. |
| *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.
 |
| *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. |
| *Labour Classification Level – Executive manager* | A manager responsible for managing multiple senior managers. NSPs typically may have one or more executive managers in areas such as CEO, HR, Finance & Treasury, Legal, Corporate and Network Operations. |
| *Labour Classification Level – Senior Manager* | A manager responsible for managing multiple managers who each manage work teams and projects within the organisation  |
| *Labour Classification Level - Manager* | A manager responsible for managing up to full project teams of staff  |
| *Labour Classification Level - Professional* | Professional workers who do not have a primary role as staff managers. These may include lawyers, accountants, economists etc. |
| *Labour Classification Level – Semi professional* | Workers with some specialist training supporting fully trained professionals (e.g. draftsperson, bookkeeper etc). |
| *Labour Classification Level – Support staff* | Non-professional support staff not undertaking field work (e.g. clerical support, secretaries) |
| *Labour Classification Level – intern, junior staff, non-field work apprentice* | Interns, junior staff and apprentices undertaking non field work. All apprentices undertaking or training to undertake field work should be reported under *Labour Classification Level - Apprentice* |
| *Labour Classification Level – Skilled electrical worker*  | Fully qualified/trained electrical workers. This will include line workers, cable jointers, electrical technicians and electricians who have completed an apprenticeship. |
| *Labour Classification Level – Skilled non electrical worker* | Skilled non electrical worker employed for their skill set. Examples are tradesmen who have completed an apprenticeship such as carpenters, mechanic, painters and arborists. |
| *Labour Classification Level - Apprentice*  | A field worker employed as part of a government accredited apprenticeship program. This includes all apprentices who will not primarily be working in offices once fully trained (e.g. apprentices training to become electrical workers, fitters and turners, plumbers, painters, mechanics and arborists) |
| *Labour Classification Level – unskilled worker* | Field workers with limited specialist training. This includes workers who have completed short courses with no other qualifications (e.g. labourer, arborist’s assistant, traffic controller, meter reader) |
| *Material Project* | A Project that relates to one or more Capex Categories and which over the life of the works exceeds:1. $2 million (nominal) in the case of a project which relates to non-network categories; or
2. $5 million (nominal) 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 |
| *Non-productive work hours*  | Work hours that are non-productive work hours such as annual leave; sick leave ,training course and sessions (that are more than supervised on the job training, mentoring and normal employee feedback and development) and other non-productive work hours. For avoidance of doubt, time apprentices spend in trade school/formal training not performing their substantive job would be *Non-productive work hours*. |
| *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)
* workers engaged under labour hire contracts

Excludes:* Overtime.
* Employees on unpaid leave.
 |
| *Prescribed transmission services*  | Prescribed transmission services has the meaning set out in the Chapter 6A of the NER.  |
| *Primary driver* | The factor or cause leading directly to a decision to incur capex, categorised by the expenditure categories. |
| *Productive work hours* | Hours worked undertaking the employee/labour hire person’s substantive job. This does not include *Non-productive work hours*. Productive hours include:* Supervised on the job training including supervision of apprentices, mentoring and normal employee feedback and development.
* All normal work involved in undertaking the person’s substantive job including time spent on meetings and travel between different work areas.
 |
| *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 workbooks at Appendix A to this Notice. |
| *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. |
| *Stand Down Period* | Where an employee, or worker employed under a labour hire contract, can’t start a scheduled shift that would involve *prescribed transmission services* work at normal ordinary time wages due to prior work at the organisation (for example, due to not having sufficient time off between work shifts).  |
| *Transmission system* | Has the meaning prescribed in the National Electricity Rules. |
| *Variable* | Words or numerical values inputted into the *Regulatory Templates* |

|  |  |
| --- | --- |
| 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 registered mobile plant.All *Motor Vehicle Expenditure* must be recorded in the Non-Network *regulatory template*. Sub Categories of Motor Vehicle Expenditure are:* Motor Vehicle Expenditure – Cars
* Motor Vehicle Expenditure – LCVs
* Motor Vehicle Expenditure – HCVs
* Motor Vehicle Expenditure – Elevated Work Platforms (LCVs)
* Motor Vehicle Expenditure – Elevated Work Platforms (HCVs)
 |
| *Motor Vehicle – Descriptor Metric – Average Kilometres Travelled* | The average kilometres travelled per vehicle in the fleet for that category of vehicle due to *prescribed transmission services work*. The vehicle fleet includes all vehicles that have been used for *prescribed transmission services* work (in relation to historic data),or are expected to be are used for *prescribed transmission* work (in relation to forecast data*)* for that category of vehicle. |
| *Motor Vehicle – Descriptor Metric – Number Purchased* | The number of vehicles in the fleet purchased in that year for that category of vehicle scaled for *prescribed transmission services* use (e.g. a vehicle purchased that is expected to be used 50% of the time for *prescribed transmission services* work would equal 0.5 vehicles). The vehicle fleet includes all vehicles that have been used for *prescribed transmission services* work (in relation to historic data),or are expected to be are used for *prescribed transmission* work (in relation to forecast data*)* for that category of vehicle. |
| *Motor Vehicle – Descriptor Metric – Number Leased* | The average number of vehicles leased in the fleet for that year for that category of vehicle scaled for *prescribed transmission services* use (e.g. a vehicle purchased that is expected to be used 50% of the time for *prescribed transmission services* work would equal 0.5 vehicles). The vehicle fleet includes all vehicles that have been used for *prescribed transmission services* work (in relation to historic data),or are expected to be are used for *prescribed transmission* work (in relation to forecast data*)* for that category of vehicle. |
| *Motor Vehicle – Descriptor Metric – Number in Fleet* | The number in fleet is the average number of vehicles in the fleet in that year for that category of vehicle scaled for *prescribed transmission services* use (e.g. a vehicle in the fleet used 50% of the time for *prescribed transmission services* work would equal 0.50 vehicles). The vehicle fleet includes all vehicles that have been used for *prescribed transmission services* work (in relation to historic data),or are expected to be are used for *prescribed transmission* work (in relation to forecast data*)* for that category of vehicle. |
| *Motor Vehicle – Descriptor Metric – Proportion of total fleet expenditure allocated as regulatory expenditure* | The proportion of total fleet expenditure (capex and opex) for that category of vehicle allocated as *prescribed transmission services* expenditure. The vehicle fleet includes all vehicles that have been used for *prescribed transmission services* work (in relation to historic data),or are expected to be are used for *prescribed transmission* work (in relation to forecast data*)* for that category of vehicle. |
| *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. It includes expenditure related to real chattels (e.g. interests in land such as a lease) but excludes expenditure related personal chattels (e.g. furniture) that should be reported under Non-network Other expenditure. |
| *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 IT & Communication – Descriptor metric - user numbers* | Active IT system log in accounts used for *prescribed transmission work* scaled for *prescribed transmission services* use (i.e. an account used 50% of the time for *prescribed transmission services* work equals 0.5 active IT log in accounts) |
| *Non-network It & Communications – Descriptor metric - device numbers* | The number of client devices used to provide *prescribed transmission services* scaled for *prescribed transmission services* use (i.e. a device used 50% of the time for *prescribed transmission services* work equals 0.5 devices). Client Devices are hardware devices that accesses services made available by a server and may include 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 – Descriptor Metric – employee numbers* | The average number of employees engaged in *prescribed transmission services* work over the year scaled for time spent on *prescribed transmission services* work (i.e. an employee spending 50% of their time on *prescribed transmission services* work equating to 0.5ASLs for the purposes of the labour metrics would be 0.5 employees). This metric does not include labour engaged under labour hire agreements. |
| *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* | Recurrent expenditure is expenditure that returns time after time with respect to the particular category of expenditure. Temporally, expenditure that would be expected to be reasonably consistent from regulatory period to regulatory period (taking into account volume and unit cost drivers) would be recurrent expenditure. For example, repex categories with large enough numbers of assets to require consistent replacement from regulatory period to regulatory period (taking into account increases in unit costs and increases in the volumes of assets on the network) would be recurrent expenditure. We would also expect most opex to be recurrent expenditure as it wold be reasonably consistent from regulatory period to regulatory period. Examples of recurrent IT & Communications expenditure may include cyclic replacement of assets and related costs (hardware, software, training etc.). Non-recurrent expenditure is likely to include projects, particularly major projects, that are one off and not ongoing in nature (e.g. major IT or Communications systems upgrades) . |

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| Definitions specific to Regulatory Template 4.1 Asset age profile  | Definition |
| *Economic life* | An asset’s economic 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.  |
| *Installed assets – quantity currently in commission by year*  | The number of assets currently in commission and the year they were installed |
| *Replacement life* | Probability distribution function parameterized by the mean and standard deviation of the expected time to replacement of the assets in the asset category |

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| Definitions specific to Regulatory Template 2.2 Repex | Definition |
| *Asset Failures* | The failure of an asset to perform its intended function safely and in compliance with jurisdictional regulations, not as a result of external impacts such as:• extreme or atypical weather events; or • third party interference, such as traffic accidents and vandalism; or • wildlife interference, but only where the wildlife interference directly, clearly and unambiguously influenced asset performance; or • vegetation interference, but only where the vegetation interference directly, clearly and unambiguously influenced asset performance. 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.. Capex has a primary driver of replacement expenditure if the factor determining the expenditure is the existing asset's inability to efficiently maintain its service performance requirement. |

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| Definitions specific to both Regulatory Template 4.1 Asset Age Profile and 2.2 Repex | Definition |
| *Asset refurbishments/ life extension capex* | The non-demand driven capex to restore an asset to its former functionality where the asset has reached the end of its economic life. The works undertaken must result in a material extension in the expected life of the asset |
| *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. |
| *SCADA and Network Control and Protection systems replacement* | Replacement expenditure associated with SCADA and network control hardware, software and associated IT systems. Includes replacement of protection and control systems and communication systems. This excludes all costs associated with SCADA and Network Control Expenditure that exist within gateway devices (routers, bridges etc.) at corporate offices. Protection systems has the meaning prescribed in the National Electricity Rules |
| *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. |
| *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. |
| *Transmission cables* | These assets have the primary function of transmitting power, below ground, between segments of the network.This includes the material primarily used to transmit the power and *cable ends, joints, terminations and associated hardware and equipment (e.g. surge diverters, etc.), cable tunnels, ducts, pipes, pits and pillars.*It excludes any assets that are included in any other asset group. |
| *Transmission towers* | These are vertically oriented assets that provide load bearing structural support for conductors or other lines assets. This also includes associated transmission tower support structures, insulators, earthing, footings, where these are replaced in conjunction with a transmission tower replacement project. It excludes any assets that are included in any other asset group. |
| *Transmission Tower Support Structures* | These are horizontally oriented structures and their components that provide support for conductors or other line assets to be located on a transmission tower and provide adequate clearances. This expenditure relates to that which TNSPs incur when transmission tower support structures are replaced independently of the transmission tower they are located on. This includes tower section, arms, insulators, earthing It excludes any assets that are included in any other asset group. |
| *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. |
| *Auxiliary transformer* | A *transformer* installed normally within a *substation* to provide power supply to *substation* auxiliaries, such as controls, motors, and communication facilities. |
| *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* and *cables*, 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 cables)* | The maximum peak load for a given load cycle that a line can supply for up to 15 minutes under a single contingency emergency condition. |
| *N-1 emergency (for substations)* | The maximum peak load for a given load cycle that a substation can supply for up to two hours under a single contingency emergency condition. |
| *Network* | Has the meaning prescribed in the National Electricity Rules |
| *Normal cyclic rating* | The maximum peak loading based on a given daily load cycle that an asset or element of the *network* 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 loading based on a given daily 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 |
| *Project close* | When the project account(s) are closed off at the completion of the project. |
| *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* (and *cables*), measured as the length of each span between *towers/poles*, 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 RulesAs a guide, assets included within a *substation* include all equipment, buildings, structures, *civil works* and other assets that are located permanently within the *substation* boundary fence; but excluding the landing spans of incoming or outgoing overhead *lines*, and excluding incoming or outgoing cables and associated cable terminations (cables includes all power, communications and control cables). |
| *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. |
| *Thermal rating (for lines and cables)* | The maximum rating assigned to a *line* or *cable* under normal operational conditions, that is, resulting in a normal life expectancy. TNSP must provide its definitions of ‘normal operational conditions’. |
| *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. It also does not include *auxiliary transformers*. |
| *Transmission line* | Has the meaning prescribed in the National Electricity Rules. |
| *Voltage* | 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*. |
| *Embedded generation* | See ‘*embedded generator*’. |
| *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. |
| *Native demand* | The sum of generation by *scheduled*, *semi-scheduled*, and *non-scheduled* *embedded generation* and net interconnector flows into the network, accounting for transmission losses.  |
| *Network* | Has the meaning prescribed in the National Electricity Rules. |
| *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. |
| *Summer peaking* | *Maximum demand* experienced over the period 1 October to 31 March. |
| *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 4.3 MD and utilisation - Spatial | Definition |
| *Embedded generation* | See ‘*embedded generator*’. |
| *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* | Has the meaning prescribed in the National Electricity Rules |
| *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 |
| *Normal cyclic rating* | The maximum peak loading based on a given daily load cycle that an asset or element of the *network* 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’ |
| *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 demand without *weather correction*. |
| *Raw adjusted maximum demand* | *Raw unadjusted maximum demand* that is adjusted to system normal conditions. TNSP must adjust to system normal conditions by accounting for (temporary) *switching* relevant to the *network* segment, and for temporary load changes from major customers (such as temporary closure of major industrial customers). TNSP must not adjust *maximum demand* data for (permanent) *transfers*, *block loads* or *embedded generation*.The term, ‘raw’, refers to demand data that has not undergone *weather correction*. |
| *Raw unadjusted maximum demand* | Actual *maximum demand* as measured by TNSP at the specified *network* segment. This must not include any adjustments for factors such as *switching*, temporary load changes from major customers, *transfers*, *block loads* or *embedded generation*.The term, ‘raw’, refers to demand data that has not undergone *weather correction*. |
| *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 TNSP usually 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 |
| *Access track* | A path that enables vehicular or foot access to a transmission assets. Where applicable this includes associated pavement, drainage, security (e.g. gates, fences) and animal control devices (e.g. cattle grid). For the purposes of this definition TNSP must have a responsibility for the maintenance of the access track and the form of tenure, or lack of tenure, over the maintenance access track is not relevant. |
| *Access track maintenance* | Costs of activities to maintain an *access track*, including inspecting, surveying, auditing, altering, reconfiguring costs or *vegetation management* costsnot involving capital expenditure. |
| *Inspection cycle* | The planned or actual duration between two consecutive inspections of an asset |
| *Maintenance* | Operational repairs and maintenance of the transmission system, including testing, investigation, validation and correction costs not involving capital expenditure.  |
| *Maintenance cycle* | The planned or actual duration between two consecutive maintenance works on an asset |
| *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
* network customer support/management, including customer support and billing
* 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
* Non-network alternatives to augmentation
* Regulatory support
* Corporate support
* IT 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.
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| *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*. |  |
| *Overhead* | 1. Expenditure that cannot be directly attributed to a work activity, project or work order. Consists of labour, materials, contract costs and other costs. Overheads can also be referred to as ‘shared costs’ (e.g. in the NSPs’ Cost Allocation Method documents).
2. In category analysis RINs and templates, overheads are disaggregated as *Network Overheads* and *Corporate Overheads*.
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| Definitions specific to Regulatory Template 2.6 Vegetation management | Definition |
| *Audit* | Auditing of *vegetation management* activities (e.g. *tree trimming*, tree removal, herbicide application, etc.) following vegetation maintenance works in order to confirm the quality and/or extent of the *vegetation management* activities undertaken. |
| *Average number of trees per maintenance span* | The estimated average of the number of trees within TNSP’s vegetation *maintenance spans*. This includes only trees that require active *vegetation management* to meet its vegetation obligations (it excludes trees that are only inspected). |
| *Contractor liaison* | Day-to-day liaison with and management of the contractors involved in undertaking *vegetation management* work on behalf of TNSP. This includes but is not limited to the management of work invoices, assigning work to contractors and the review of audits. This excludes actual *audit* work undertaken. |
| *Cutting cycle* | The average planned number of years (including fractions of years) between which cyclic vegetation maintenance is performed within *vegetation management zones*. |
| *Defect* | A *defect* is any recorded incidence of noncompliance with TNSP’s vegetation clearance standard. This also includes vegetation outside 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, the use of *LiDAR*, aerial and other forms of inspection. |
| *LiDAR* | Light detection and ranging |
| *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*.  |
| *Tree* | For the purposes of calculating the *average number of trees per maintenance span* a tree is a perennial plant (of any species including shrubs) that is:* equal to or greater in height than 3 metres (measured from the ground) in the relevant reporting period; and
* of a species which could grow to a height such that it may impinge on the vegetation clearance space of power lines.
 |
| *Tree trimming* | The activity of cutting back trees or other vegetation to remove dead or living parts so as to prevent parts of the tree or vegetation from growing into, falling onto, or blowing onto electricity assets. |
| *Unplanned vegetation events* | System outages and *fire starts* caused by either *vegetation grow-ins* or *vegetation blow-ins/fall-ins*. |
| *Vegetation blow-in/fall-in* | An interruption to supply caused by vegetation blowing onto or falling onto network assets. For example wind born branches lodging across the phases of an overhead line, or an adjacent tree falling onto overhead lines.These interruptions to supply may be the responsibility of TNSP or other responsible parties such as municipal councils or private land owners. |
| *Vegetation corridor* | A tract of land along which vegetation is maintained in order to form a passageway along the route of a power line or lines (e.g. a shared corridor) that is free of vegetation encroachment into the asset clearance space. This does not include portions of the corridor where no managed vegetation exists (e.g. grassland or heathland) or where vegetation is not managed (e.g. deep gullies/valleys were no vegetation management is undertaken). For clarity, the form of tenure, or lack of tenure, over the corridor are not relevant to the existence of a vegetation corridor. |
| *Vegetation grow-in* | An interruption to supply caused by vegetation growing into network assets. For example a tree branch contacting overhead lines.These interruptions to supply may be the responsibility of TNSP or other responsible parties such as municipal councils or private land owners. |
| *Vegetation management* | 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
* does not include:
	+ such items as "beautification" works, lawnmowing e.g. from natures strips, or office gardens, interior plant and aesthetic vegetation works; and
	+ any work done in proximity to non-*network* assets.
 |
| *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 total width of a *vegetation corridor*. For clarity, the total width refers to the entire width of the tract of land along which vegetation is maintained. |