

Appendix 2.01

**Checklist of responses to AER's
required revisions**

**Revised 2016-21 Access Arrangement Proposal
Response to the AER's draft decision**

January 2016

The AER’s required revisions and our responses – checklist

In the attachments to the draft decision the AER sets out the revisions required to “make the access arrangement proposal and the access arrangement information acceptable”.

Table 1 shows each of the required revisions and indicates how ActewAGL Distribution has responded. The table includes cross references to further details and explanations in our:

- revised access arrangement proposal (**revised AA**);
- revised access arrangement information (**revised AAI**);
- Response to the draft decision (**Response**);
- Appendix 13.01 Table of amendments to the access arrangement proposal (**Appendix 13.01**); and,
- Appendix 13.02 Table of amendments to the Reference Service Agreement (RSA) (**Appendix 13.02**).

Table 1 AER required revisions and ActewAGL Distribution responses

Draft decision reference	AER required revision	ActewAGL Distribution (AAD) response
Draft decision Attachment 1: Services		
No required revisions listed		
Draft decision Attachment 2: Capital base		
Revision 2.1	Make all necessary amendments to reflect this draft decision on the roll forward of the capital base for the 2010–15 access arrangement period, as set out in Table 2.1	AAD has not adopted the AER’s required revision. Our revised proposal for the capital base is provided in chapter 3 of our revised AAI. Further explanation is provided in chapter 4 of the Response.
Revision 2.2	Make all necessary amendments to reflect this draft decision on the projected opening capital base for 2015–16 and the 2016–21 access arrangement period, as set out in Table 2.2	AAD has not adopted the AER’s required revision. Our revised proposal for the capital base is provided in chapter 3 of our revised AAI. Further explanation is provided in chapter 4 of the Response.
Draft decision Attachment 3: Rate of return		
No revisions listed		While no required revisions are listed in the draft decision, we have made some revisions to the AA to implement our revised rate of return proposal. These revisions to the AA are set out in

		appendix 13.01. Chapter 5 of the Response contains an explanation of our revised proposal for the rate of return.
Draft decision Attachment 4: Value of imputation credits		
Revision 4.1	Our decision on the value of imputation credits as referred to in rule 87A (1) is to adopt a value of 0.4, as set out in this attachment. ActewAGL is to make all the necessary amendments to its Access arrangement proposal to give effect to this draft decision	AAD has not adopted the AER's draft decision on the value of imputation credits. We have retained our proposed value of 0.25. Our position is explained in chapter 5 of the Response.
Draft decision Attachment 5: Regulatory depreciation		
Revision 5.1	Make all necessary amendments to reflect this draft decision on the proposed forecast regulatory depreciation allowance for 2015–16 and the 2016–21 access arrangement period, as set out in Table 5.1	AAD has not adopted all elements of the draft decision on forecast regulatory depreciation. Our revised proposal and an explanation of the basis for it are provided in chapter 4 of the Response.
Revision 5.2	Make all necessary amendments to reflect this draft decision on the standard asset lives and remaining asset lives as at 1 July 2015, as set out in Table 5.4	Accept.
Draft decision Attachment 6: Capital expenditure		
Revision 6.1	Make all necessary amendments to reflect our draft decision on conforming capex for 2016–21, as set out in Table 6.2	AAD has not adopted the draft decision on conforming capex for 2016-21. Our revised capex forecast for 2016-21 and an explanation of the basis for it are provided in chapter 6 of the Response.
Draft decision Attachment 7: Operating expenditure		
Revision 7.1	Make all necessary amendments to reflect our draft decision on the proposed opex allowances for 2015–16 and the 2016–21 period, as set out in Table 7.1	AAD has not adopted the draft decision on opex allowances for 2015-21. Our revised opex forecast and an explanation of the basis for it are provided in chapter 7 of the Response. The basis for our revised opex forecast is also set out in chapter 5 of our revised AAI.
Draft decision Attachment 8: Corporate income tax		
Revision 8.1	Make all necessary amendments to reflect this draft decision on the proposed corporate income tax allowance for 2015–16 and the 2016–21 access arrangement period, as set out in Table 8.1	AAD has not adopted the draft decision on the corporate tax allowance. Our revised proposal and an explanation of the basis for it are provided in chapter 8

		of the Response.
Revision 8.2	Make all necessary amendments to reflect this draft decision on the standard and remaining tax asset lives for 2015–16 and the 2016–21 access arrangement period, as set out in Table 8.5	AAD has not adopted the draft decision on the corporate tax allowance. Our revised proposal and an explanation of the basis for it are provided in chapter 8 of the Response.
Draft decision Attachment 9: Efficiency carryover mechanism		
Revision 9.1	Replace clause 3.1(c) in the AA	Accept.
Revision 9.2	Replace clause 3.2 in the AA	Accept, but implemented by alternative means. Details are provided in appendix 13.01 (which contains an explanation of all the revisions we have made to the efficiency carryover mechanism (ECM) in the AA) and chapter 9 of the Response (which contains a summary of the basis for our responses on the ECM).
Revision 9.3	Replace clause 3.3 in the AA	Accept.
Revision 9.4	Remove clause 3.4 in the AA	Accept.
Revision 9.5	Replace clause 3.5 in the AA	Accept.
Revision 9.6	Remove clause 3.8(a)(i)	Accept.
Revision 9.7	Remove clause 3.8(a)(ii)	AAD has not accepted this revision. The basis for our position is set out in chapter 9 of the Response.
Revision 9.8	Remove clause 3.8(b)(i)	AAD has not accepted this revision. The basis for our position is set out in chapter 9 of the Response.
Revision 9.9	Remove clauses 3.8(b)(ii) and 3.8.8(b)(iii)	Accept.
Revision 9.10	Remove clause 3.8(b)(iv)	Accept, subject to some drafting changes – see appendix 13.01 and chapter 9 of our Response.
Revision 9.11	Amend clauses 3.8(b)(v)(A) and (B)	Accept, subject to minor drafting changes for 9.11(i) – see appendix 13.01.
Revision 9.12	Amend clause 3.8(c)	Accept.
Revision 9.13	Remove clause 3.9	Accept.

Revision 9.14	Remove clause 5.1(a)	Accept, but implement with alternative drafting – see Appendix 13.01.
Draft decision Attachment 10: Reference tariff setting		
No required revisions listed		
Draft decision Attachment 11: Reference tariff variation mechanism		
Revision 11.1	Amend clause 7.4 and schedule 4 to be consistent with Figures 11.1, 11.2, 11.3 and 11.4	AAD has accepted some of the required revision. The basis for our position is set out in chapter 12 of the Response. The revisions we have made are set out in appendix 13.01 to the Response.
Revision 11.2	Remove clause 7.5 in ActewAGL's access arrangement to reflect our draft decision that reference tariffs cannot be varied during a financial year to apply at a date prior to the start of the next financial year.	AAD has not accepted this revision. The basis for our position is set out in chapter 12 of the Response.
Revision 11.3	Replace the definitions of the following cost pass through events with those set out in section 11.4.2 of this attachment: regulatory change event, service standard event, insurance cap event, insurer credit risk event, terrorism event, natural disaster event, network user failure event	AAD has not accepted this revision. The basis for our position is set out in chapter 12 of the Response. The revisions we have made are described in appendix 13.01.
Revision 11.4	Remove the following cost pass through events: short term trading market event, supply curtailment event, general pass through event	AAD has partially accepted this revision. We have not removed the general pass through event. The basis for our position is set out in chapter 9 of the Response.
Revision 11.5	Amend the access arrangement to provide that the principle in clause 7.16 is a fixed principle for the 2016–21 access arrangement period only	Accept, subject to some clarifying drafting – see chapter 12 and appendix 13.01 to the Response.
Draft decision Attachment 12: Non-tariff components		
12.1	Amend clause 1.3 of the RSA	Accept. Our amendments to the RSA are set out in Appendix 13.02. Chapter 13 of the Response also contains a summary of our responses to the draft decision on non-tariff components.
12.2	Amend clause 13.2 of the RSA	Partially accept. An explanation is provided in Appendix 13.02 and chapter 13 of the Response.
12.3	Amend clause 11.4 of the RSA	Partially accept. An explanation is

		provided in Appendix 13.02 and chapter 13 of the Response.
12.4	Amend clause 1.1 of the RSA	Accept.
12.5	Amend clause 25 of the RSA	Accept.
12.6	Amend clause 9.1 of the AA	Not accepted. An explanation is provided in chapter 13 of our Response.
12.7	Amend clause 9.4 of the AA	Accept.
Draft decision Attachment 13: Demand		
No required revisions listed		