

## Compliance with the Regulatory Information Notice Schedule 1

Description	Location/ Response
<b>1. GENERAL</b>	
1.1 Provide the information required in each <i>regulatory template</i> in the Microsoft Excel workbook attached at Appendix A completed in accordance with this <i>Notice</i> and the instructions provided in the Principles and Requirements Appendix C.	Regulatory templates.
<b>Basis on which information must be provided</b>	
1.2 Provide all financial information on a financial year basis and set out:	
(a) whether the information is <i>actual information, estimated information or forecast information</i> . For information in the nature of a forecast or estimate provide a statement of the basis of the forecast or estimate; and	Where required the type of information (i.e. actual, estimated or forecast) is included in our response.
(b) the units of measurement for parameters or values used to derive or infer values; and	Where required the type of information (i.e. actual, estimated or forecast) is included in our response.
(c) whether the information is expressed in nominal, real or another basis and include the base year of information where relevant.	Unless otherwise specified, expenditure values provided are expressed in real 2015/16 dollar terms. Unless otherwise specified, revenue values are expressed in nominal dollar terms.

Description	Location/ Response
<b>1.3</b> All financial information provided in the <i>regulatory templates</i> must be:	
<b>(a)</b> on a financial year basis, unless otherwise specified;	Templates are prepared on this basis.
<b>(b)</b> actual financial information for the first four years of the <i>current access arrangement period</i> ;	Templates are prepared on this basis.
<b>(c)</b> estimate or forecast financial information for year five of the <i>current access arrangement period</i> , to be updated with <i>actual information</i> when that becomes available during the review;	Templates are prepared on this basis.
<b>(d)</b> estimate or <i>forecast information</i> as appropriate for year six of the <i>current access arrangement period</i> ;	Templates are prepared on this basis.
<b>(e)</b> forecast financial information for the <i>next access arrangement period</i> ;	Templates are prepared on this basis.
<b>(f)</b> where required, actual financial information for the five years of the <i>previous access arrangement period</i> .	Templates are prepared on this basis.
<b>1.4</b> All expenditure forecasts for the <i>next access arrangement period</i> provided to the AER in response to this RIN must be in real (end of the fourth year of the <i>current access arrangement period</i> ) dollars and on a financial year basis, unless specified otherwise.	Templates are provided in FY2014/15 as specified elsewhere in the RIN.

Description	Location/ Response
<p>1.5 Provide any calculations used to convert real to nominal dollars or nominal to real dollars for the purposes of providing the information required under sections 1.3 and 1.4 above.</p>	<p>Please refer to opex model (attachment 5, appendix 5.06) and capex models (attachment 6, appendix 6.5.1) of the AAI.</p>
<p>1.6 Provide an explanation should capital and operating expenditure provided in the <i>regulatory templates</i> be materially different to information previously submitted to the AER such as via annually submitted RINs.</p>	<p>2011/12 &amp; 2012/13 Operating expenditure The annual RIN's for the above FY's were overstated by \$0.5m &amp; \$0.8m respectively. Corporate overheads in those two years were overstated as they were incorrectly adjusted for a change in allocation of costs from Corporate Services. The RIN templates now reconcile to the Statutory Accounts.</p> <p>2013/14 marketing opex: For the 2013/14 year the DAMS agreement with JAM was modified to roll Marketing Services into the Management Services Fee category. In the annual RIN process it was reported as Marketing controllable costs to be consistent with previous years, but to ensure consistency with the DAMS Agreement, ActewAGL Distribution has rolled this expenditure in 2013/14 back into the Management Services Fee. The overall operational costs are the same but the mix between categories has changed to the value of \$0.6 million.</p> <p>capex: There are no material differences.</p>
<p>1.7 In the relevant <i>regulatory template</i>, report any change and the materiality of that change where any method of allocation under section 1.6 changes over time.</p>	<p>See appendix 4.5, attachment 4 of the AAI.</p>
<p>1.8 Where <i>historical information</i> provided in the <i>regulatory templates</i> has previously been reported to the AER:</p>	
<p>(a) this information must reconcile with the previously provided information; or</p>	<p>See appendix 4.5, attachment 4 of the AAI.</p>

Description	Location/ Response
<b>(b)</b> explain why the information does not reconcile with the previously provided information.	See appendix 4.5, attachment 4 of the AAI.
1.9 For each change identified in the response to section 1.8:	
<b>(a)</b> explain the nature of and the reasons for the variation; and	See appendix 4.5, attachment 4 of the AAI.
<b>(b)</b> quantify the effect of the variation on the <i>annual Regulatory Information Notice</i> for the relevant <i>regulatory year</i> .	See appendix 4.5, attachment 4 of the AAI.
1.10 For each of the following items, identify each <i>material difference</i> between that reported in the <i>annual Regulatory Information Notices</i> and the amount approved for the <i>current access arrangement period</i> :	
<b>(a)</b> Total actual revenue and total forecast revenue;	Over the period, when approved pass through amounts are including in annual approved revenue amounts, total actual revenue has not been materially different to the approved amount.
<b>(b)</b> Total <i>actual operating expenditure</i> and total forecast operating expenditure;	Refer to access arrangement information –attachment 5: Operating Expenditure, table 5.3.
<b>(c)</b> Total <i>actual capital expenditure</i> and total <i>forecast capital expenditure</i> ; and	Refer to attachment 6 in the AAI.
<b>(d)</b> Demand forecasts.	Refer attachment 3.0; appendices 3.01 to 3.03.
1.11 Explain the reasons that caused each <i>material difference</i> identified in the response to section 1.10 including:	

Description	Location/ Response
<p>(a) whether this is recurrent or a one off variation;</p>	<p><b>Re Total actual revenue and total forecast revenue:</b>            The material difference between total actual revenue and total forecast revenue is due to different actual throughput and customer number outcomes in the first years of the access arrangement period and cost pass through amounts in the latter years. Factors behind throughput and customer numbers are explained in Attachment 3 demand forecasts. Throughput and customer connections are largely out of ActewAGL Distribution's control but are influenced by the quality of service provided and marketing. The cost pass through amounts are due to one off amounts (such as the introduction of NECF) and recurrent changes (for instance growth in the Utilities Network Facilities Tax). All cost pass through amounts are outside of ActewAGL Distribution's control.</p> <p><b>Re Total actual operating expenditure and total forecast operating expenditure:</b>            Refer to access arrangement information – attachment 5: Operating expenditure, table 5.3.</p> <p><b>Re Total actual capital expenditure and total forecast capital expenditure:</b>            See attachment 6: Capital expenditure.</p> <p><b>Re demand forecasts:</b>            Please refer to attachment 3.01 Core Report; appendices 3.02 Core Report Model and 3.03 Weather Normalisation model.</p>
<p>(b) the factors which generally influenced the variation; and</p>	<p>See above.</p>
<p>(c) whether the variation is due to factors beyond ActewAGL's control.</p>	<p>See above.</p>

Description	Location/ Response
<p>1.12 Explain how the differences identified in response to section 1.10 and explanations in response to section 1.11 have been factored into generating expenditure forecasts for the <i>next access arrangement period</i>.</p>	<p><b>Opex:</b> Refer to section 5.3.2 of the access arrangement information – attachment 5: Operating Expenditure. <b>Capex:</b> Refer attachment 6: Capital Expenditure.</p>
<p>1.13 <i>Capital expenditure and operating expenditure</i> forecasts provided in the <i>regulatory templates</i> must be reconciled to the ex-ante capital and operating allowances in post-tax revenue model for the <i>next access arrangement period</i>.</p>	<p>This is included in the PTRM in appendix 11.01.</p>
<p>1.14 To avoid doubt, where information is requested either in this written document, or in a <i>regulatory template</i> attached in Appendix A, but not in both, the information is required as instructed in either this written document or in the <i>regulatory template</i>.</p>	<p>N/A</p>
<p>1.15 Provide a table that references each response to a section in this Schedule 1, where it is provided in or as part of the <i>access arrangement proposal</i>.</p>	<p>This table.</p>
<p><b>2. SERVICE PROVIDER DETAILS AND BUSINESS CONTEXT</b></p>	
<p><b>Local agent of a service provider</b></p>	
<p>2.1 Provide all details of any local agent(s) of <i>ActewAGL</i>.</p>	<p>N/A</p>
<p><b>3. BACKGROUND TO THE PIPELINE</b></p>	
<p><i>Pipeline and pipeline services</i></p>	

Description	Location/ Response
<b>3.1</b> For the <i>current access arrangement period</i> for each <i>pipeline service</i> provided by the way of ActewAGL's ACT gas distribution system that is not specified as a <i>reference service</i> in ActewAGL's <i>access arrangement proposal</i> , provide:	
(a) the annual volume of demand in GJ ; and	0 - GJ
(b) numbers of <i>users</i> .	0 - Users
<b>4. DEMAND</b>	
<b>4.1</b> Provide:	
(a) an explanation of any trends in demand and volumes over the <i>current access arrangement period</i> and the <i>next access arrangement period</i> ;	Refer attachment 3: Sections 1.3 and 1.5.
(b) details of the key drivers behind the demand forecasts provided in response to <i>regulatory templates 27, 28 and 29</i> ;	Refer appendix 3.01 Core Energy report.
(c) any methodology and models that have been used to develop the demand forecasts;	Refer appendices 3.01 and 3.03 (the Core Energy report and associated models), section 1.4 of attachment 3 of the AAI.
(d) any data sets used as inputs into the models;	Refer appendices 3.02 and 3.03 (the Core Energy model and the Core Energy weather normalisation model).

Description	Location/ Response
(e) any key inputs and assumptions that have been used in the models (including in relation to economic growth, <i>customer</i> numbers and policy changes) and provide any associated models or data relevant to justifying these inputs and assumptions and how demand for <i>pipeline services</i> is differentiated;	Refer appendices 3.01 to 3.03 (the Core Energy report and associated models).
(f) an explanation of any weather normalisation models, how weather data has been used, and how <i>ActewAGL's</i> approach to weather normalisation has changed over time;	Refer appendices 3.01 and 3.03 (the Core Energy report and weather normalisation model) and section 3.4 of attachment 3 (specifically, 'weather normalisation' section in 3.4.1.1).
(g) an explanation of any appliance models, where used, or assumptions relating to average <i>customer</i> energy usage (by <i>customer</i> type);	Refer appendices 3.01 and 3.02 (the Core Energy report and model).
(h) how the forecasting methodology used is consistent with, and takes into account, historical observations (where appropriate), including any calibration processes undertaken within the model (specifically whether the load forecast is matched against actual historical load); and	Refer appendices 3.01 to 3.03 (the Core Energy report and associated models).
(i) an explanation of how the demand forecasts have been used to develop <i>ActewAGL's</i> <i>capital expenditure</i> and <i>operating expenditure</i> forecasts.	Refer section 3.5.3 of attachment 3.
<b>4.2</b> Provide:	



Description	Location/ Response
<p>(a) evidence that any independent verifier engaged has examined the reasonableness of the method, processes and assumptions in determining the forecasts and has the requisite expertise to undertake a verification of forecasts; and</p>	<p>Refer appendix 3.01 Core Energy were the Independent Consultants used to create the Model.</p>
<p>(b) all documentation, analysis and models evidencing the results of the independent verification.</p>	<p>Refer appendices 3.01 to 3.03 (the Core Energy report and associated models).</p>
<p><b>5. FORECAST PRICE CHANGES</b></p>	
<p><b>5.1</b> Identify the labour and material price changes proposed in the estimation of the <i>forecast capital expenditure</i> proposal and the <i>forecast operating expenditure</i> proposal.</p>	<p>Please refer to:</p> <ul style="list-style-type: none"> <li>• AA RIN template 2 – escalators.</li> <li>• The capital and operating expenditure models (refer to appendices 6.5.1 and 5.06 to AAD’s 2016 AAI respectively)</li> </ul> <p>BIS Shrapnel’s cost escalators report (refer to appendix 5.03 to AAD’s 2016 AAI). BIS Shrapnel’s report provides the methodologies used to derive all price changes.</p>
<p><b>5.2</b> Provide:</p>	

Description	Location/ Response
<p>(a) the model(s) used to derive and apply all price changes assumed in the estimation of the <i>forecast capital expenditure</i> proposal and the <i>forecast operating expenditure</i> proposal, including any proprietary model(s) provided by a third party;</p>	<p><b>(a) Refer to:</b></p> <ul style="list-style-type: none"> <li>• AA RIN ‘template 2 – escalators’, which details AAD’s proposed real price labour and materials escalators.</li> <li>• BIS Shrapnel’s cost escalators report (refer to Appendix 5.03 to AAD’s 2016 AAI), which explains the methodologies used to derive all real price escalators.</li> <li>• The capital and operating expenditure models (refer to appendices 6.5.1 and 5.6 to AAD’s 2016 AAI respectively), which apply the real price escalator’s to AAD’s proposed capex and opex forecasts.</li> </ul> <p>BIN Shrapnel did not provide AAD with any of its proprietary models used to derive all labour and material price changes.</p>
<p>(b) in relation to labour escalators, a copy of the current <i>Enterprise Agreement</i> or equivalent agreement; and</p>	<p>The following Enterprise Agreements (EA) are provided at appendix S.02 and S.03 to this RIN response:</p> <ul style="list-style-type: none"> <li>• S.02 - Jemena Gas &amp; Water Enterprise Agreement 2012.</li> <li>• S.03 - ActewAGL and combined unions Enterprise Agreement 2014.</li> </ul>
<p>(c) evidence that the price measures explain those cost changes which are attributed to price changes, including evidence of any materials price forecast method which explains the historic change in the price of materials purchased by network service providers.</p>	<p>Refer to attachment S.04 for a full response.</p>
<p><b>5.3</b> Explain:</p>	

Description	Location/ Response
<p>(a) the methodology underlying the calculation of each price change, including sources, data conversions, the operation of any models provided under section 5.2(a) and the use of any assumptions, such as lags or productivity gains;</p>	<p>ActewAGL Distribution engaged BIS Shrapnel to provide an expert opinion regarding the outlook for labour and a range of material cost escalators relevant to gas distribution networks in NSW and the Australian Capital Territory over an eight year period from 2013-14 to 2020-21 (i.e. from 1 July 2013 to 30 June 2021). It is this opinion which forms our starting point for deriving all price changes applicable in the estimation of forecast capital and operating expenditure.</p> <p>We take the raw price changes provided by BIS Shrapnel, weight them for each cost category, and apply the weighted escalators to our forecast capital and operating expenditure, consistent with the approach taken during the 2010 AA review and accepted by the AER in its determination for the 2010-15 AA.</p> <p>BIS Shrapnel has provided the methodologies, assumptions and sources used in deriving its raw price changes for materials and labour – these are set out in appendix 5.03 to ActewAGL Distribution’s 2016 AAI. However, BIS Shrapnel has not provided ActewAGL Distribution with its proprietary model(s).</p>
<p>(b) whether the same price changes have been used in developing both the <i>forecast capital expenditure</i> proposal and <i>forecast operating expenditure</i> proposal;</p>	<p>ActewAGL Distribution has used the same real cost escalators in developing both its capital expenditure and operating expenditure forecasts – please refer to capex model Appendix 6.5.1 and opex model appendix 5.06 of attachment 5 of ActewAGL Distribution’s 2016 AAI.</p>
<p>(c) if the response to section 5.3(b) is no, why it is appropriate for different expenditure escalators to apply.</p>	<p>N/A</p>

Description	Location/ Response
<p><b>5.4</b> If an agreement provided in response to section 5.2(b) is due to expire during the <i>next access arrangement period</i>, explain the progress and outcomes of any negotiations to date to review and replace the current agreement.</p>	<p>Jemena Gas &amp; Water Enterprise Agreement 2012 – the agreement has nominal expiry date of 30 November 2015. The negotiations are due to commence in June 2015 and are expected to be completed by November 2015.</p> <p>ActewAGL and Combined Unions Enterprise Agreement 2014 – has operated since 29 October 2014 and has a notional expiry date of 1 July 2017. The EA covers those employees within ActewAGL Distribution not covered by an alternative agreement, such as a Management Services Agreement. This includes some ActewAGL Distribution corporate services employees who provide services to the gas network business through the fixed price services agreement between the corporate services division and gas networks business. In accordance with the terms of the EA, the persons covered by the EA will commence negotiations for a replacement agreement six months prior to the nominal expiry date - i.e. 1 January 2017. It is expected that a new EA will replace the 2014 EA for up to four years of the 2016-21 access arrangement period.</p>
<p><b>6. CAPITAL EXPENDITURE</b></p>	
<p>Note: The information required to be provided, prepared, kept or maintained in this part of the <i>Notice</i> relates to all <i>pipeline services</i>, including both <i>reference services</i> and <i>pipeline services</i> other than <i>reference services</i>.</p>	
<p><b><i>ActewAGL's capex model submitted as part of ActewAGL's access arrangement information</i></b></p>	

Description	Location/ Response
<p><b>6.1</b> <i>Regulatory templates 3 to 14 provide instructions that where the information requested is duplicated in ActewAGL's capex model submitted as part of ActewAGL's access arrangement information, that ActewAGL is not required to populate the RIN templates collecting the same information. This provision is subject to the following requirements:</i></p>	
<p><b>(a)</b> The annual gross and net total expenditure amounts at a category and subcategory level in the ActewAGL capex model must equal the RIN template amounts.</p>	<p>Information is included in the regulatory templates as well as the capex model and is the same for both for forecast numbers.</p>
<p><b>(b)</b> The expenditure amounts are captured within the same category and subcategory of capex in the ActewAGL capex model and the RIN templates.</p>	<p>Information is included in the regulatory templates as well as the capex model and is the same for both for forecast numbers.</p>
<p><b>(c)</b> The escalation, related party margin and overhead amounts are identically applied at a category/subcategory and project level in the ActewAGL capex model and the RIN templates. The escalation in the ActewAGL capex model must be linked at a subcategory or project level and be able to be adjusted, such that the expenditure including escalation adjusts for changes made to the applied escalation.</p>	<p>Information is included in the regulatory templates as well as the capex and is the same for both for forecast numbers.</p>
<p><b>(d)</b> The capex model must set out for each year of the last five year period actual expenditure, volume and unit rate data by category and subcategory.</p>	<p>Information is not included in the capex model, but is included in the regulatory templates.</p>
<p><b><i>Capital expenditure in the previous access arrangement period</i></b></p>	

Description	Location/ Response
<b>6.2</b> Provide <i>capital expenditure</i> at a <i>project</i> level and at a capex subcategory level in <i>regulatory templates</i> 4 to 14. Where data is either not available to <i>ActewAGL</i> or it is not practical to produce the data:	
<b>(a)</b> explain why; and	All data has been provided in the regulatory templates.
<b>(b)</b> provide data at the most disaggregated level available to it.	All data has been provided in the regulatory templates.
<b><i>Capital expenditure in the current access arrangement period</i></b>	
<b>6.3</b> Explain:	
<b>(a)</b> any <i>material difference</i> for each <i>capex category</i> between:	Refer attachment 6 (capex).
(i) the <i>capital expenditure</i> approved by the <i>AER</i> and the actual and/or estimated <i>capital expenditure</i> for the <i>current access arrangement period</i> ; and	Refer to attachment 6 (capex), section 6.4 of the AAI.

Description	Location/ Response
<p>(ii) the <i>capital expenditure</i> proposed by ActewAGL in the <i>previous access arrangement proposal</i> and the actual and/or estimated <i>capital expenditure</i> for the <i>current access arrangement period</i></p>	<p>Differences between actual/estimated expenditure for market expansion and capacity development for the 2010-15 access arrangement period and the previous access arrangement period were not material.</p> <p>Actual/estimated costs for the stay-in-business category for 2010-15 were approximately 37% less than those in proposed in the previous access arrangement period. This difference is a result of:</p> <ul style="list-style-type: none"> <li>not proceeding with the construction of a new TRS, including water bath heater, to manage increased flows at Watson because of the installation of a compressor at Dalton by APA as a measure to increase security of supply in the event of an upstream supply failure (approximately \$7.2 million). It should be noted that this project was excluded from the approved capex; and</li> <li>deferral of meter renewal as a result of a statistical sampling program for residential meters enabling meter lives to be extended by five years from 20 years to 25 years.</li> </ul>
<p>A in terms of the nature of the work undertaken (<i>scope, scale or other deviation from proposed works</i>), the volume and the cost (deviation in unit rates); and</p>	<p>Refer attachment 6 (capex).</p>

Description	Location/ Response
<p>(b) whether and how ActewAGL considers that <i>conforming capital expenditure</i> added to the <i>capital base</i> in the <i>current access arrangement period</i> meets the requirements of Rule 79 of the NGR.</p>	<p>See section 6.4 of attachment 6 (Capital Expenditure) to AAD’s AAI</p> <p>All capex actually incurred and estimated to be incurred by AAD during the current AA period, after accounting for capital contributions received, is conforming capital expenditure as defined in Rule 79. AAD’s capital expenditure governance, and Jemena’s capital expenditure governance, planning, procurement and delivery processes ensure that the expenditure is prudent and efficient and that the expenditure is justified on one or more of the grounds provided in Rule 79(2) (see sections 6.3, 6.4 and 6.5 of AAD’s AAI attachment 6). Further, an explanation of material variances between the approved capex and to the forecast conforming capital expenditure are provided in section 6.4 of attachment 6 to AAD’s AAI</p>
<p><b><i>Speculative capital expenditure account, reused redundant assets, redundant assets and disposals in the current access arrangement period</i></b></p>	
<p><b>6.4</b> Provide an explanation for whether and how ActewAGL considers the requirements of section Rule 79 of the NGR are met for any amounts added to or deducted from the opening <i>capital base</i>:</p>	
<p>(a) from the <i>speculative capital expenditure account</i>;</p>	<p>Not applicable. There is no speculative capital expenditure account.</p>
<p>(b) for the reuse of <i>redundant assets</i>;</p>	<p>Not applicable. There are no redundant assets.</p>
<p>(c) for <i>redundant assets</i>; and</p>	<p>Not applicable. There are no redundant assets.</p>
<p>(d) for disposals.</p>	<p>No disposals actual or forecast</p>



Description	Location/ Response
<b>Forecast conforming capital expenditure in the next access arrangement period</b>	
<b>6.5</b> For each <i>capex category</i> and expenditures comprising the categories identified in the <i>regulatory templates</i> 4 to 14, provide an overall description including:	
<b>(a)</b> a definition and explanation of any materiality threshold test that ActewAGL intends to apply to categorise forecast conforming capital expenditure projects;	The RIN does not specify any materiality thresholds and AAD has not applied any materiality thresholds.
<b>(b)</b> the nature of forecast conforming capital expenditure projects or programs material to each <i>capex category</i> , including a brief description of the <i>capital expenditure</i> and, where relevant, the location of the expenditure on the <i>distribution pipeline</i> ;	The nature of forecast conforming capital expenditure at the category level and for major projects is described in the relevant section 6.5 of AAI attachment 6. A brief description of the nature of all projects is included in the capex model and In the spreadsheet identified in the response to 6.12. Please note that programs such as new connections and meter replacement involve expenditure throughout the network and are not location-specific. Likewise IT expenditure is not location-specific. Where, relevant, the locations of specific projects are included as part of the information provided that response to clause 6.12 of schedule 1 of the RIN.
<b>(c)</b> key drivers of the proposed expenditure;	Refer to the relevant section 6.5 of attachment 6 of the AAI
<b>(d)</b> an explanation of how expenditure is distinguished between:	

Description	Location/ Response
(i) <i>new customer connections capital expenditure and augmentation capital expenditure;</i>	Expenditure is classified as customer connections capital expenditure where it involves an extension of the network to connect one or more customers. This may be as simple as a new service and a meter. In most cases customer connections capital expenditure is customer initiated. In some cases a long main extension is required to connect a new homes estate to the network. Augmentation capital expenditure involves developing the capacity of or reinforcing the existing network to increase security and integrity of supply.
(ii) <i>augmentation capital expenditure, driven by demand, and mains and services renewal capital expenditure and facilities renewal and upgrade capital expenditure, driven by asset condition and other drivers; and</i>	Renewal and upgrade expenditure is driven by asset age, condition and changes in network circumstance (other than demand growth) and therefore distinguishable from augmentation (i.e. capacity development) capital expenditure.
(iii) <i>any other capex category or opex category where ActewAGL considers that there is reasonable scope for ambiguity in categorisation.</i>	Third party relocations capex is shown as being part of mains renewal and upgrade in the regulatory templates, whereas in the capex model this is shown as a subcategory
(e) <i>details as to whether the forecast conforming capital expenditure is to be funded by parties other than ActewAGL;</i>	All forecast conforming capital expenditure is to be funded by ActewAGL Distribution. To the extent that expenditure would otherwise be non-conforming, the difference will be covered by capital contributions from customers. ActewAGL Distribution’s capital contribution forecast is set out in section 6.5 of attachment 6 of ActewAGL Distribution’s AAI.
(f) <i>details of contractual agreements with parties where capital contributions are made by users to new capital expenditure (see Rule 82);</i>	ActewAGL Distribution has no contractual agreements with users that relate to capital contributions forecast to be received from users during the next access arrangement period.

Description	Location/ Response
<p><b>6.6</b> For forecast <i>conforming capital expenditure</i>, in total and in terms of each <i>capex category</i>, explain:</p>	
<p>(a) how it reasonably reflects the <i>new capital expenditure criteria</i> set out in rule 79(1) of the NGR, and how <i>ActewAGL</i> has interpreted these criteria;</p>	<p>Refer attachment 6: sections 6.3 and 6.5.</p>
<p>(b) how the forecast <i>conforming capital expenditure</i> is justified under rule 79(2) of the NGR and how <i>ActewAGL</i> has interpreted these sub rules; and</p>	<p>Refer to section 6.5 of attachment 6 of the AAI.</p>

Description	Location/ Response
<p>(c) how any plans, policies, <i>procedures, regulatory obligations or requirements</i>, consultants' reports, <i>economic analysis</i> and assumptions have been used to justify the forecast <i>conforming capital expenditure</i>.</p>	<p>Refer to section 6.3 and 6.5 of attachment 6 of the AAI.</p>
<p><b>6.7</b> If Rule 79(2)(a) is relied on to justify the forecast <i>conforming capital expenditure</i>, provide:</p>	
<p>(a) the calculations of the economic value of the <i>capital expenditure</i> that directly accrues to the <i>service provider</i>, gas producers, <i>users</i> and <i>end users</i>; and</p>	<p>AAD has not relied on Rule 79(2)(a) to justify any of its conforming capital expenditure.</p>
<p>(b) an explanation of the nature and quantification of the economic value that directly accrues to the <i>service provider</i>, gas producer, <i>users</i> and <i>end users</i> (see Rule 79(3)).</p>	<p>See response to 6.7(a).</p>
<p><b>6.8</b> If Rule 79(2)(b) is relied on to justify forecast <i>conforming capital expenditure</i>, provide:</p>	

Description	Location/ Response
<p>(a) the information <i>ActewAGL</i> relied on to determine the expected incremental revenue to be generated as a result of the forecast <i>conforming capital expenditure</i>;</p>	<p>All of the forecast capital expenditure that is justified in whole or in part on the basis of rule 79(2)(b) is in the market expansion category as described in the section 6.5 of attachment 6 of the AAI.</p> <p>The forecast of numbers of connections that drive market expansion capex has been developed on a network wide basis by Core Energy (refer AAI Appendix 3.01). AAD has forecast gross capex for market expansion as described in the forecast capex report and, has forecast an amount of capital contributions to be deducted from the gross amount (see section 6.5 of attachment 6 to the AAI). The forecast of capital contributions is based on the historically-observed ratios, over 5 years to 2014, of contributions to market expansion capex.</p> <p>As a result AAD is confident that the forecast net amount of market expansion capex is conforming capital expenditure and is the best forecast possible in these circumstances (Rule 74).</p>
<p>(b) a description of the incremental service or services (see Rule 79(4)(a));</p>	<p>See response to 6.8(a).</p>
<p>(c) the incremental revenue (see Rule 79(4)(b));</p>	<p>See response to 6.8(a).</p>
<p>(d) the incremental expenditure (see Rule 79(4)(b)); and</p>	<p>See response to 6.8(a).</p>
<p>(e) the discount rates that <i>ActewAGL</i> used to determine the present value of the incremental revenue.</p>	<p>See response to 6.8(a).</p>
<p><b>6.9</b> If Rule 79(2)(c)(i), (ii) or (iii) is relied on to justify the forecast <i>conforming capital expenditure</i>, provide:</p>	

Description	Location/ Response
<p>(a) an explanation of which item in Rule 79(2)(c)(i), (ii) or (iii) is relied on;</p>	<p>Forecast capital expenditure that is justified in whole or in part on the basis of rules 79(2)(c)(i), (ii) and (iii) is identified in the information provided in section 6.5 of attachment 6 to the AAI and in response to clauses 6.12 and 6.16 of the RIN. Most is in the network renewal and upgrade (i.e. mains renewal and upgrade and facilities renewal and upgrade) and meter renewal and upgrade categories as described in the section 6.5 of attachment 6 of the AAI. To the extent that AAD relies on rule 79(2)(c)(iii) to justify expenditure, the relevant obligations arise under the regimes/instruments described section 6.5 of the AAI.</p>
<p>(b) the relevant <i>regulatory obligation or requirement</i> (if any) and the relevant authority or body enforcing it;</p>	<p>See response to Clause 6.9(a).</p>
<p>(c) an explanation of whether and how ActewAGL considers that the forecast <i>conforming capital expenditure</i> satisfies the item in Rule 79(2)(c)(i), (ii) or (iii) being relied on; and</p>	<p>See response to Clause 6.9(a).</p>
<p>(d) any supporting technical or other external or internal reports about whether and how ActewAGL considers that the forecast <i>conforming capital expenditure</i> addresses the relevant item in Rule 79(2)(c)(i), (ii) or (iii).</p>	<p>See response to Clause 6.9(a).</p>
<p><b>6.10</b> If Rule 79(2)(c)(iv) is relied on to justify forecast <i>conforming capital expenditure</i>, provide:</p>	
<p>(a) an explanation of the change in demand for existing services necessitating the forecast <i>conforming capital expenditure</i>, including a measure of the change in demand; and</p>	<p>Forecast capital expenditure that is justified in whole, or in part, on the basis of rule 79(2)(c)(iv) is identified in the information provided in response to clauses 6.12 and 6.16 of the RIN. Most is in the capacity development categories as described in section 6.5 of attachment 6 to the AAI, which also describes the factors that are driving the expenditure.</p>

Description	Location/ Response
<p>(b) any reports or other information and documentation that supports whether and how ActewAGL considers that the <i>forecast capital expenditure</i> will meet the increase in demand for existing services.</p>	<p>See Capacity Management Strategy and Plan appended to the capex attachment 6 of the AAI.</p>
<p>6.11 Explain how each response provided to section 6.5 is reflected in any increase or decrease in expenditures or volumes, particularly between the <i>current access arrangement period</i> and <i>next access arrangement period</i>, provided in <i>regulatory templates</i> 4 to 14.</p>	<p>See section 6.5 of attachment 6 of the AAI.</p>
<p>6.12 For the following <i>capex categories: augmentation, mains and services renewal, facilities renewal and upgrade and IT and communications</i>, provide a <i>project list</i> which details for each <i>project</i> in the <i>capex category</i>:</p>	
<p>(a) an <i>internal identification code</i>, which will enable ActewAGL to report <i>actual capital expenditure</i> against <i>forecast capital expenditure</i>;</p>	<p>For all categories except IT capex – contained in spreadsheet “Clauses 6.12, 6.14 and 6.15” as part of supporting material. The spreadsheet also includes, for each project, details of:</p> <ul style="list-style-type: none"> <li>• which sub-rules(s) of rule 79(2) are relevant to the project—refer to responses to clauses 6.7 to 6.10.</li> <li>• source material—refer clause 6.14.</li> <li>• the basis of estimation—refer clause 6.15.</li> </ul> <p>Details of project costs and timing (6.12(c)) are also provided in the relevant tables in the RIN template as well as in the Capital Expenditure Forecast Model (AAI Appendix 6.5.2).</p>

Description	Location/ Response
(b) the <i>project</i> name used internally by ActewAGL;	See response to 6.12(a)
(c) the cost and timing of the <i>project capital expenditure</i> ; and	See response to 6.12(a)
(d) a brief description of the <i>project</i> and its <i>scope</i> .	See response to 6.12(a)
<b>Capital expenditure forecast method</b>	
<b>6.13</b> Describe how the <i>forecast conforming capital expenditure</i> was prepared, including:	
(a) the forecasting methodologies used;	AAD's forecasting methodology is described in section 6.5 of attachment 6 of the AAI.
(b) how its preparation differed or related to budgetary, planning and governance processes used in the normal running of ActewAGL's business;	<p>The ActewAGL Distribution normal business forecasting processes aligns with the processes used in the preparations of the AAI, with the following exception:</p> <ul style="list-style-type: none"> <li>• timing and scheduling differences as the timing for the preparation of the AA differs from timings for budget preparation;</li> <li>• use of specialist consultants for demand forecasting.</li> </ul> <p>Further information is contained in attachment 4.</p>
(c) processes for ensuring amounts are free of error and other steps in quality assurance; and	The forecast has been prepared by professional staff using sound good industry practices and has been subject to extensive review and approval processes throughout its development.



Description	Location/ Response
<p>(d) if and how <i>ActewAGL</i> considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers.</p>	<p>The forecast capex is in the long term interests of consumers not only in respect of price but also quality, safety, reliability and security of supply of natural gas, consistent with the National Gas Objective.</p> <p>ActewAGL Distribution notes that market expansion capex will lower the average prices faced by all consumers.</p> <p>All capex elements (which improve the quality, safety, reliability and security of supply) have two impacts: the first is the direct cost of expenditure. The second is the lower prices through the retention of existing customers and new customer connections. In the absence of capex that ensures natural gas services are provided are quality, safe and reliable and secure service customers will choose either to disconnect or not connect to the gas network. A lower number of customers against large fixed costs will result in higher average prices.</p> <p>ActewAGL distribution also notes that the forecast capex program was prepared consistent with the National Gas Rules and is therefore in the long term interests of consumers.</p>
<p><b>6.14</b> In relation to any source material (including models, documentation or any other items containing quantitative data) used by <i>ActewAGL</i> to develop its <i>forecast conforming capital expenditure</i>, provide:</p>	<p></p>

Description	Location/ Response
<p>(a) a copy of this source material;</p>	<p>AAD's forecast of conforming capital expenditure is contained in the capital expenditure forecast model provided as appendix 6.5.1 to the AAI. The source material that supports the capex program and project costs input to that model is provided with the information provided in response to clause 6.12 and 6.16.</p> <p>Other inputs to the forecast including forecast new connection numbers and wages and material cost escalators are sourced from expert reports provided by Core Energy and BIS Shrapnel as described in attachments 3 and 5 to the AAI and provided in appendices A, B and C to the AAI.</p>
<p>(b) all calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the <i>regulatory templates</i>.</p>	<p>The capex program and project cost information provided in response to clause 6.14(a) is, directly or indirectly, the source of all program and project costs input to the capital expenditure forecast model. All forecast conforming capital expenditure data in the regulatory templates is sourced directly or indirectly (via a RIN working file) from the capital expenditure forecast model. (The RIN working file maps outputs from the capital expenditure forecast model in the format required by the regulatory templates).</p>
<p><b>6.15</b> Identify which particular items of <i>ActewAGL's</i> forecast <i>conforming capital expenditure</i> have:</p>	
<p>(a) been derived directly from competitive tender processes;</p>	<p>(a)—(e) The required information is:</p> <ul style="list-style-type: none"> <li>• for network capex—included with the information provided in response to clause 6.12, and</li> <li>• for IT capex—included with the information provided in response to clause 6.12.</li> </ul>
<p>(b) been based upon competitive tender processes for similar <i>projects</i>;</p>	<p>See response to 6.15 (a) above.</p>

Description	Location/ Response
(c) been based upon estimates obtained from contractors or manufacturers;	See response to 6.15 (a) above.
(d) been based upon independent benchmarks;	See response to 6.15 (a) above.
(e) been based upon actual historical costs for similar <i>projects</i> ; and	See response to 6.15 (a) above.
(f) reflected any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable.	As described in attachment 6 to the AAI Jemena has used its Project Estimation Manual to estimate the cost of network projects costing more than \$0.2M. That model includes an allowance of 10 per cent on internal labour and 30 per cent on other costs capex (excluding overheads) to provide for scope optimism bias consistent with the fact that those projects are at the gate 0 or gate 1 stage of Jemena’s project gating process. Evans and Peck have reviewed Jemena’s capex estimating methodology and confirm that the methodology, including the scope allowances, satisfies the requirements of NGR rules 74 and 79(1)(a). Evans and Peck’s report appended to the capex attachment 6 of the AAI.
<b>6.16</b> Provide any relevant internal decision making <i>documents</i> relating to approval of the forecast <i>conforming capital expenditure</i> and any other internal or external documentation or models that justify the forecast <i>conforming capital expenditure</i> , including but not limited to:	
(a) business cases;	Not applicable.

Description	Location/ Response
(b) feasibility studies;	Opportunity Briefs or Feasibility Assessments for all network capital projects are provided in the folder named 'CI 6.16 Forecast capex documentation' as part of supporting documentation.
(c) forecast demand studies and internal reports; and	AAD relies on the Core Energy demand forecasting report (AAI appendix 3.01).
(d) the date of any relevant internal decision making body/management decisions and board decisions.	Dates for approvals are embedded in relevant documents.
<b>6.17</b> Provide all <i>documents</i> which were taken into account and relate to the <i>deliverability of forecast conforming capital expenditure</i> and explain the proposed <i>deliverability</i> .	Described in the AAD AA 2017 Delivery Report FY17 to FY21 Program of AAI appendix 6.4 as part of supporting documentation.
<b>Capital expenditure that is not conforming in the next access arrangement period</b>	
<b>6.18</b> Provide:	
(a) a justification for the different rate of return, if the balance of the <i>speculative capital expenditure account</i> increases at a rate different to the rate of return implicit in a <i>reference tariff</i> (see Rule 84(2));	AAD has not made any speculative capital expenditure either in the current AA period or in the past and so does not maintain a speculative capital expenditure account. All forecast capital expenditure for the next AA period net of capital contributions is forecast to be conforming capital expenditure.
(b) in <i>regulatory template 2</i> , (where relevant) the escalation rates used in deriving forecasts for <i>capital expenditure</i> other than <i>conforming capital expenditure</i> , if different from escalation rates provided in section <b>Error! Reference source not found.</b> (b) of this <i>Notice</i> ; and	Not applicable given AAD's response to (a).

Description	Location/ Response
(c) details of the mechanism to prevent <i>ActewAGL</i> from benefiting, through increased revenue, from the capital contributions by a <i>user</i> in the <i>next access arrangement period</i> (see Rule 82(3)).	The amount of any capital contributions will be deducted from gross capital expenditure when rolling forward the RAB.
<b>Capital redundancy policy in the <i>next access arrangement period</i></b>	
<b>6.19</b> If relevant, provide:	
(a) an explanation of the proposed mechanism to remove redundant assets from the <i>capital base</i> including:	AAD's proposed revised AA does not include a capital redundancy policy.
(i) when the mechanism will take effect; and	Not applicable given AAD's response to 6.19(a).
(ii) whether the mechanism includes a proposal for cost sharing between the <i>service provider</i> and <i>users</i> associated with a decline in demand for <i>pipeline services</i> ;	Not applicable given AAD's response to 6.19(a).
(b) a justification for the mechanism;	Not applicable given AAD's response to 6.19(a).
(c) an explanation of what uncertainty the mechanism may cause; and	Not applicable given AAD's response to 6.19(a).
(d) the effect of this uncertainty on <i>ActewAGL</i> .	Not applicable given AAD's response to 6.19(a).

Description	Location/ Response
<b>7. OPERATING EXPENDITURE</b>	
<b><i>Operating expenditure in the current access arrangement period</i></b>	
<p><b>7.1</b> Provide <i>related party</i> details and an explanation of any non-recurring expenditures in the <i>current access arrangement period</i>.</p>	<p>For non-recurrent expenditure in the current access arrangement period, refer to the access arrangement information – attachment 5: Operating expenditure, table 5.4. Non-recurrent costs paid to the related party, JAM, during the current access arrangement period, other than those noted in the base year, were not material (i.e. amounted to less than \$10,000 per annum).</p> <p>For non-recurrent expenditure in the base year specifically, refer to the access arrangement information – attachment 5: Operating expenditure, section 5.4.3.2. This includes non-recurrent costs paid to the related party, JAM.</p> <p>Details of related party transactions are provided in tab 15 ‘related party transactions’ of the RIN template.</p>
<b><i>Forecast operating expenditure in the next access arrangement period</i></b>	
<b>7.2</b> For forecast total <i>operating expenditure</i> provide:	
<p><b>(a)</b> a description and explanation of the major drivers for the increase/decrease in expenditure by <i>opex categories</i> between the <i>current access arrangement period</i> and the <i>next access arrangement period</i>;</p>	<p>Refer to section 5.1 of the access arrangement information – attachment 5: Operating expenditure.</p>

Description	Location/ Response
<p><b>(b)</b> whether there are changes to the operations of the <i>pipeline</i> from the <i>current access arrangement period</i> that have resulted in material changes to <i>opex categories</i> and total <i>operating expenditure</i> in the <i>next access arrangement period</i>, including a definition of the materiality threshold used by ActewAGL to identify such changes;</p>	<p>No relevant changes to pipeline operations.</p>
<p><b>(c)</b> the models or methodology used to develop the forecast total <i>operating expenditure</i>;</p>	<p>Please refer to:</p> <ul style="list-style-type: none"> <li>• section 5.4.2 of the Access Arrangement Information – attachment 5: Operating expenditure; and</li> <li>• ActewAGL Distribution’s opex model.</li> </ul>
<p><b>(d)</b> a description of how the forecast was prepared, including:</p>	<p>Refer to section 5.4.2 of the access arrangement information – attachment 5: Operating expenditure.</p>
<p>(i) how forecast <i>operating expenditure</i> reasonably reflects the criteria set out in Rule 91(1) of the NGR;</p>	<p>As above.</p>
<p>(ii) if a revealed cost <i>base year</i> approach was used to forecast total <i>operating expenditure</i>;</p>	<p>As above.</p>
<p>(1) what the <i>base year</i> is; and</p>	<p>As above.</p>
<p>(2) why that <i>base year</i> represents efficient, recurrent costs;</p>	<p>As above.</p>
<p>(iii) if a revealed cost <i>base year</i> approach was not used to forecast total <i>operating expenditure</i>;</p>	<p>N/A.</p>

Description	Location/ Response
(1) whether there was a year of historic <i>operating expenditure</i> available that represents efficient, recurrent costs; and	N/A.
(2) if not, why no year of historic <i>operating expenditure</i> represents efficient, recurrent costs.	N/A.
(iv) any non-recurrent or one-off costs in the <i>base year</i> and each year of the <i>next access arrangement period</i> .	Refer to section 5.4.2 of the access arrangement information – attachment 5: Operating expenditure.
<b>Output growth drivers</b>	
<b>7.3</b> Provide:	
(a) all output growth drivers included in the forecast;	<p><b>For response to 7.3 and 7.4 inclusive please refer to:</b></p> <p>Refer section 5.4.4.2 of the access arrangement information – attachment 5: Operating expenditure;</p> <p>Refer section 2.2 of appendix 5.01: Operating expenditure base year and trend forecast efficiency; and</p> <p>ActewAGL Distribution’s opex model, ‘rate of change’ tab.</p>
(b) any economies of scale factors applied to the growth drivers;	See response above.
(c) evidence that the growth drivers explain cost changes due to output growth;	See response above.



Description	Location/ Response
<b>(d)</b> any weightings applied if multiple output growth drivers have been used.	See response above.
<b>7.4</b> Explain:	See response above.
<b>(a)</b> how the growth drivers have been applied in the <i>operating expenditure</i> forecast;	See response above.
<b>(b)</b> how the forecast method accounts for economies of scale.	See response above.
<b>Real price changes</b>	
<b>7.5</b> Explain:	
<b>(a)</b> how the real price measures have been applied in the <i>operating expenditure</i> forecast;	<p>For response to 7.5 (a) and (b) please refer:</p> <p>Refer section 5.4.4.1 of the access arrangement information – attachment 5: Operating expenditure;</p> <p>Refer section 2.1 f appendix 5.01: Operating expenditure base year and trend forecast efficiency; and</p> <p>ActewAGL Distribution’s opex model, ‘rate of change’ tab.</p>
<b>(b)</b> whether the labour price measure compensates for any form of labour productivity change.	Refer response above.
<b>Productivity change</b>	

Description	Location/ Response
<b>7.6</b> Explain:	
<p><b>(a)</b> how the forecast changes in productivity have been applied in the <i>operating expenditure</i> forecast;</p>	<p>For response to 7.6 (a), (b) and (c) please refer:</p> <p>Refer section 5.4.4.2 of the access arrangement information – attachment 5: Operating expenditure;</p> <p>Refer section 2.2 of appendix 5.01: Operating expenditure base year and trend forecast efficiency; and</p> <p>ActewAGL Distribution’s opex model, ‘rate of change’ tab.</p>
<p><b>(b)</b> whether the forecast productivity changes capture the historic trend of cost increases due to new <i>regulatory obligations or requirements</i> and changes to industry best practice;</p>	<p>Refer above.</p>
<p><b>(c)</b> whether the productivity measure used to forecast <i>operating expenditure</i> includes productivity change compensated for by the labour price measure used to forecast the change in the price of labour.</p>	<p>Refer above.</p>
<b>Step changes</b>	
<b>7.7</b> For all <i>step changes</i> in forecast <i>operating expenditure</i> (including due to changes in policies, strategies and obligations) provide:	

Description	Location/ Response
<p><b>(a)</b> a description of the <i>step change</i> including when the change occurred, what its driver is, and how the driver has changed (e.g. the change in a <i>regulatory obligation</i>);</p>	<p>For response to 7.7 (a) through (g) please refer:  Refer to appendix 5.04: step change report, appended to the access arrangement information – attachment 5: Operating expenditure.</p>
<p><b>(b)</b> demonstration, including all supporting justifications, for when and how the <i>step change</i> affected or is expected to affect expenditures (historic and forecast), with respect to:</p>	<p>Refer above.</p>
<p>(i) any of the <i>opex categories</i></p>	<p>Refer above.</p>
<p>(ii) total <i>operating expenditure</i></p>	<p>Refer above.</p>
<p><b>(c)</b> If the <i>step change</i> was due to a change in a <i>regulatory obligation or requirement</i>:</p>	<p>Refer above.</p>
<p>(i) any variations or exemptions granted during the <i>previous access arrangement period</i> or the <i>current access arrangement period</i>;</p>	<p>Refer above.</p>
<p>(ii) any compliance audits conducted during the <i>previous access arrangement period</i> or the <i>current access arrangement period</i>;</p>	<p>Refer above.</p>
<p>(iii) whether or not a 'do nothing' option was considered and how the risks of this option were assessed and compared with other options;</p>	<p>Refer above.</p>

Description	Location/ Response
(iv) with reference to specific sections of the relevant legislative instrument, versions of both the previous and new <i>regulatory obligations or requirements</i> driving the <i>step change</i> ;	Refer above.
(d) the process undertaken to identify and quantify the <i>step change</i> ,	Refer above.
(e) whether the <i>step change</i> is recurrent in nature;	Refer above.
(f) any cost benefit analysis that was undertaken in determining the efficient costs in addressing the <i>step change</i> .	Refer above.
(g) anything else ActewAGL considers relevant in considering the nature and materiality of the <i>step change</i> in relation to forecast <i>operating expenditure</i> .	Refer above.
<b>7.8</b> Explain:	
(a) why the efficient costs of the <i>step change</i> are not provided by other aspects of the <i>operating expenditure</i> forecast including, for example, base <i>operating expenditure</i> , output growth, real price growth or forecast productivity change; and	For response to 7.8 (a) and (b) please refer:  Refer to appendix 5.04: step change report, appended to the access arrangement information – attachment 5: Operating expenditure.
(b) why the <i>step change</i> is required to contribute to a total forecast <i>operating expenditure</i> that reasonably reflects the criteria set out in Rule 91(1) of the NGR.	Refer above.

Description	Location/ Response
<b>Self-insurance</b>	
<b>7.9</b> Provide, the following information for each self-insurance event listed in <i>regulatory templates 23(a)</i> and <i>23(b)</i> :	
<b>(a)</b> the name and a description of the self-insurance event;	The AER included an allowance in the 2015-20 access arrangement for public liability (slip and trip).
<b>(b)</b> a description of the risk exposure, including cover, exclusions, limit;	No self insurance allowance is being sought.
<b>(c)</b> a record of all historic incidences and associated losses of the event for which self-insurance is being sought;	No self insurance allowance is being sought.
<b>(d)</b> the proposed allowance for each <i>regulatory year</i> ;	No self insurance allowance is being sought.
<b>(e)</b> if the allowance relates to a deductible or an excess on a commercial insurance policy, identify and provide the amount of deductible risk to which <i>ActewAGL</i> is exposed;	No self insurance allowance is being sought.
<b>(f)</b> whether the self-insurance event is in relation to a particular asset or class of assets and, if so, identify those assets or classes;	The event does not relate to a particular asset or class of asset.
<b>(g)</b> reasons for self-insuring the event;	To ensure that ActewAGL Distribution had the opportunity to recover efficient costs.

Description	Location/ Response
<p><b>(h)</b> why compensation should be provided for the risk. Where insurance is available from a commercial insurer and an insurance quote has been obtained, provide evidence that it is more efficient to self-insure for that risk. Confirm that the risk for which self-insurance is being sought is not recovered through any other mechanism;</p>	<p>ActewAGL Distribution is not seeking compensation for this risk as part of the access arrangement revision proposal.</p>
<p><b>(i)</b> if the event has not previously been self-insured, reasons why it is now being proposed to be self-insured and how the risk of the event was treated in the <i>current access arrangement period</i>;</p>	<p>No self insurance allowance is being sought.</p>
<p><b>(j)</b> if a proposed self-insurance event was previously insured externally, details of existing or previous insurance policies and reasons why external insurance is not being proposed for the <i>next access arrangement period</i>;</p>	<p>No self insurance allowance is being sought.</p>
<p><b>(k)</b> any quotes obtained from external insurers;</p>	<p>No self insurance allowance is being sought.</p>
<p><b>(l)</b> full details of how each self-insurance allowance has been calculated describing the modelling and key assumptions applied to calculate the premiums;</p>	<p>No self insurance allowance is being sought.</p>
<p><b>(m)</b> any consultant's report relied on by ActewAGL in deriving the estimates;</p>	<p>No self insurance allowance is being sought.</p>
<p><b>(n)</b> a copy of ActewAGL's decision making body's resolution (including the date of the resolution) to self-insure the event(s).</p>	<p>No self insurance allowance is being sought.</p>

Description	Location/ Response
<b>7.10</b> If ActewAGL is proposing self-insurance for asset failure risk in the <i>access arrangement proposal</i> :	ActewAGL Distribution is not seeking any self insurance allowance.
<b>(a)</b> provide:	N/A
(i) the annual number of failures for each <i>asset category</i> for which self-insurance is being sought;	N/A
(ii) the historical costs for each asset failure.	N/A
<b>(b)</b> describe what those costs relate to, including a split between <i>conforming capital expenditure</i> and <i>operating expenditure</i> .	N/A
<b>(c)</b> explain:	N/A
(i) where the self-insurance allowance is not based on the actual historical asset failure rates and costs, how the allowance has been forecast and why it is efficient;	N/A
(ii) how the proposed <i>conforming capital expenditure</i> has been taken into account in calculating the probability of asset failure for each <i>asset category</i> for which self-insurance is being sought.	N/A
<b>8. INTERACTIONS BETWEEN CAPITAL AND OPERATING EXPENDITURE</b>	
<b>8.1</b> Identify any material interactions in ActewAGL's forecast <i>conforming capital expenditure</i> and forecast <i>operating expenditure</i> .	Refer section 5.4.7 of the access arrangement information – attachment 5: Operating expenditure.

Description	Location/ Response
<b>8.2</b> Explain how these interactions have been taken into account when developing forecasts of <i>capital expenditure</i> and <i>operating expenditure</i> , and otherwise in providing responses to items under sections 6 and 7.	Refer section 5.4.7 of the access arrangement information – attachment 5: Operating expenditure.
<b>9. RELATED PARTY TRANSACTIONS</b>	
<b>9.1</b> Identify and describe all other entities which:	
<b>(a)</b> are a <i>related party</i> to ActewAGL and contribute to the provision of distribution services; or	ActewAGL Distribution understands that the AER is seeking information on Jemena Asset Management’s provision of services to ActewAGL Distribution. Information on how Jemena Asset Management provides services to ActewAGL Distribution is outlined in attachment 4.
<b>(b)</b> have the capacity to determine the outcome of decisions about the ActewAGL’s financial and operating policies.	None.
<b>9.2</b> Provide a diagram of the organisational structure depicting the relationships between all the entities identified in the response to section 9.1.	See attachment 4 of the AAI.
<b>9.3</b> Identify:	
<b>(a)</b> all arrangements or contracts between ActewAGL and any of the other entities identified in the response to section 9.1 which relate directly or indirectly to the provision of distribution services;	DAMS agreement see attachment 4 of the AAI.



Description	Location/ Response
<b>(b)</b> the service or services the subject of each arrangement or contract.	DAMS agreement see Attachment 4 of the AAI.
<b>9.4</b> For each service identified in the response to section 9.3:	
<b>(a)</b> provide:	
(i) a description of the process used to procure the service; and	See attachment 4 of the AAI.
(ii) supporting documentation, including but not limited to requests for tender, tender submissions, internal committee papers evaluating the tenders, contracts between <i>ActewAGL</i> and the relevant provider;	See attachment 4 of the AAI.
<b>(b)</b> explain:	
(i) why that service is the subject of an arrangement or contract (i.e. why it is outsourced) instead of being undertaken by <i>ActewAGL</i> itself;	See attachment 4 of the AAI.
(ii) whether the services procured were provided under a stand- alone contract or provided as part of a broader operational agreement (or similar);	See attachment 4 of the AAI.
(iii) whether the services were procured on a genuinely competitive basis and if not, why; and	See attachment 4 of the AAI.

Description	Location/ Response
(iv) whether the service (or any component thereof) was further outsourced to another provider.	See attachment 4 of the AAI.
<b>9.5</b> For each arrangement or contract identified in the response to section 9.3 provide:	
<b>(a)</b> a copy of the arrangement or contract which sets out the obligations of both the other entity and <i>ActewAGL</i> ;	DAMS agreement attachment 4 of the AAI.
<b>(b)</b> a breakdown of all services provided as part of that arrangement or contract;	See attachment 4 of the AAI.
<b>(c)</b> a breakdown of costs for each service provided as part of the arrangement or contract, including separately identifying overheads, any profit margin or management fee and incentive payments;	See attachment S.07 for full response.
<b>(d)</b> a breakdown of all costs included in the contract price; and	See attachment S.07.
<b>(e)</b> any methodologies, including consultant’s reports, or assumptions used to determine components of those costs included in the contract price.	See attachment 4 of the AAI.

Description	Location/ Response
<b>10. PROPOSED INCENTIVE MECHANISM</b>	
<b>10.1</b> Provide, for each incentive mechanism (including existing incentive mechanisms), details of the forecast revenue referable to increments for efficiency gains or decrements for efficiency losses for the <i>next access arrangement period</i> .	The revenue increments/decrements are shown in table 10.1 in attachment 10 of the AAI.
<b>10.2</b> Provide, for each proposed incentive mechanism:	
<b>(a)</b> an explanation of the operation of the proposed incentive mechanism;	See section 10.4.3 in attachment 10 of the AAI.
<b>(b)</b> an explanation of the rationale for the proposed incentive mechanism	See section 10.4.2 in attachment 10 of the AAI.
<b>(c)</b> reference to the source <i>documents</i> used to derive exclusions and inclusions to calculate efficiency gains and losses for the <i>next access arrangement period</i>	The exclusions and inclusions are as reported in the annual gas RINs submitted to the AER.
<b>(d)</b> any relevant analyses or reports that support the proposed incentive mechanism.	See reports referenced in attachment 10 to the AAI.
<b>11. RATE OF RETURN FOR THE PROJECTED CAPITAL BASE</b>	
<b>11.1</b> The rate of return guideline sets out: <sup>1</sup>	

Description	Location/ Response
(a) the AAD’s proposed positions on the elements for assessing the rate of return including the return on equity and return on debt;	See attachment 8 including referred appendices.
(b) the estimation methods, financial models, market data and other evidence that AAD proposes that the AER take into account when estimating the allowed rate of return;	See attachment 8 including referred appendices.
(c) the way in which the AAD proposes to take into account the estimation methods, financial models, market data or other evidence.	See attachment 8 including referred appendices.
If ActewAGL proposes any departures from the (methods, etc.) referenced in section (a) or (b), provide reasons for this departure.	
<b>11.2</b> Provide:	
(a) a description of ActewAGL’s actual debt and equity raising costs; and	See attachment 8 and appendices 8.30 and 8.31.
(b) an explanation of the methodology which ActewAGL is proposing for the expenditure required to compensate for debt and equity raising costs.	See attachment 8 and appendices 8.30 and 8.31.
<b>12. PROVISIONS</b>	
<b>12.1</b> For all provisions specified in <i>regulatory template 21</i> , provide:	
(a) a detailed definition of the provision;	See attachment S.01.

Description	Location/ Response
<b>(b)</b> the reasons for increases to the provision, including:	Explanations on Provisions – attachment S.01.
(i) any consultant’s advice, including actuarial reports; or	Explanations on Provisions – attachment S.01.
(ii) if there is no consultant’s advice, identify and provide the process ActewAGL undertook in determining the increase in provisions.	Explanations on Provisions – attachment S.01.
<b>13. CAPITAL BASE</b>	
<b>13.1</b> Provide AAD’s roll forward model in support of its <i>access arrangement proposal</i> , including ActewAGL’s calculation of the opening and closing <i>capital base</i> for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i> .	See appendix 7.01 and appendix 11.01.
<b>13.2</b> If ActewAGL proposes to change the underlying methods in its roll forward model compared with the roll forward model that was approved for the <i>previous access arrangement proposal</i> for the calculation referred to in section 13.1, describe the reasons for the changes and separately provide any information which is no longer provided.	No material changes proposed. Refer to attachment 7.
<b>13.3</b> If the opening value of the <i>capital base</i> as at the start of the <i>next access arrangement period</i> is proposed to be adjusted because of re-use of redundant assets or exclusion of redundant assets, provide details including relevant supporting information used to calculate that adjustment value.	N/A

Description	Location/ Response
<b>14. DEPRECIATION SCHEDULES</b>	
<b>14.1</b> Provide ActewAGL's post-tax revenue model in support of its access arrangement proposal, including calculation of the depreciation amounts for the relevant distribution system for each <i>regulatory year</i> of:	
(a) the <i>current access arrangement period</i> using ActewAGL's roll forward model;	See appendix 7.01.
(b) the <i>next access arrangement period</i> using ActewAGL's post-tax revenue model.	See appendix 11.01.
<b>14.2</b> If ActewAGL proposes to change the underlying methods in its roll forward model and post-tax revenue model compared with the roll forward model and post-tax revenue model which were approved for the <i>previous access arrangement proposal</i> for the calculations referred to in 14.1, describe the reasons for the changes and separately provide any information which is no longer provided.	Consistent with the AER's 2010, AAD has rolled forward the capital base using forecast depreciation. To enable this, ActewAGL Distribution has amended the AER's standard roll forward model included in appendix 7.01 (changes highlighted with yellow background colour).
<b>14.3</b> Identify any changes to standard asset lives for existing asset classes approved for the <i>previous access arrangement proposal</i> . Explain the reason/s for the change and provide relevant supporting information.	No changes proposed. See attachment 7 for further details.
<b>14.4</b> For any proposed new asset classes, explain the reason/s for using these new asset classes and provide relevant supporting information on their proposed standard asset lives.	N/A.

Description	Location/ Response
<p><b>14.5</b> If existing asset classes approved for the <i>previous access arrangement proposal</i> are proposed to be removed and their residual values to be reallocated to other asset classes, explain the reason/s for the change and provide relevant supporting information. This should include a demonstration of the materiality of the change on the forecast depreciation allowance.</p>	<p>No asset class has been removed, but the Regulatory costs asset class is written off in 2016/17. Further details are provided in attachment 7.</p>
<p><b>14.6</b> Describe the method used to calculate the remaining asset lives for existing asset classes as at 1 July 2015 and provide supporting calculations.</p>	<p>See attachment 7.</p>
<p><b>15. CORPORATE INCOME TAX</b></p>	
<p><b>15.1</b> Provide ActewAGL's calculation of the estimated cost of corporate income tax for the <i>next access arrangement period</i> using ActewAGL's post-tax revenue model.</p>	<p>See attachment 9. Calculations are included in appendix 11.01.</p>
<p><b>15.2</b> Provide a demonstration that the calculation referred to in 15.1 complies with Rule 87A of the NGR.</p>	<p>See attachment 8, appendices 11.01, 8.03 and accompanying expert reports.</p>
<p><b>15.3</b> If ActewAGL proposes to change the underlying methods in its post-tax revenue model compared with the approved post-tax revenue model for the <i>previous access arrangement proposal</i> for the calculations referred to in 15.1, describe the reasons for the changes and separately provide any information which is no longer provided.</p>	<p>N/A</p>

Description	Location/ Response
<p><b>15.4</b> Identify any changes to tax depreciation rates for existing asset classes approved for the <i>previous access arrangement proposal</i>. Explain the reason/s for the change and provide relevant supporting information, including identifying tax laws governing depreciation for tax purposes.</p>	<p>No methodological changes proposed in relation to the depreciation rates versus the AER's 2010 decision.</p>
<p><b>15.5</b> Describe the method used to calculate the tax depreciation rates as at 1 July 2015 and provide supporting calculations, if the approach differs from that in the approved roll forward model for the <i>previous access arrangement proposal</i>.</p>	<p>See attachment 9. Calculations are included in appendix 11.01.</p>
<p><b>15.6</b> Provide ActewAGL's calculation of the tax asset base for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i> using ActewAGL's roll forward model.</p>	<p>See appendix 7.01. Also, see attachment 9.</p>
<p><b>15.7</b> If ActewAGL proposes to change the underlying methods in its post-tax revenue model compared with the approved post-tax revenue model for the <i>previous access arrangement proposal</i> for the calculations referred to in 15.6 describe the reasons for the changes and separately provide any information which is no longer provided.</p>	<p>N/A (apart from that ActewAGL Distribution's proposes a different gamma than the AER's most recent final decision. See attachment 8 and accompanying appendices for further details).</p>
<p><b>15.8</b> Identify any differences in the <i>capitalisation</i> of expenditure for regulatory accounting purposes and tax accounting purposes. Provide reasons and supporting calculations to reconcile any differences between the two forms of accounts.</p>	<p>N/A</p>



Description	Location/ Response
<p><b>15.9</b> Provide calculations to demonstrate if a tax loss carried forward exists as at 1 July 2015. The figures used in these calculations, such as the revenue and operating expenses, must be actuals (with the exception of the final year of the <i>current access arrangement period</i> that requires an estimate). Identify and provide reasons for any assumptions applied to determine the value of any tax loss carried forward.</p>	<p>See attachment 9, section 9.4.</p>
<p><b>16. REVENUES AND PRICES FOR REFERENCES SERVICES</b></p>	
<p><b>16.1</b> Provide:</p>	
<p><b>(a)</b> AAD calculation of the unsmoothed and smoothed revenues, and prices for the purposes of the <i>reference tariff variation mechanism</i> proposed by AAD using AAD's post-tax revenue model.</p>	<p>See Attachment S.06 for full response.</p>
<p><b>(b)</b> If AAD proposes to change the underlying methods in its post-tax revenue model compared with the approved post-tax revenue model for the <i>previous access arrangement proposal</i> for the calculations referred to in 16.1(a), describe the reasons for the changes and separately provide any information which is no longer provided.</p>	<p>ActewAGL has not changed the underlying methods in its PTRM. It should be noted, however, that the PTRM has been amended to take account of the proposed change in the form of control and including hypothetical tariffs for 2015/16 to reflect the new tariff structure discussed in attachment 12.</p>
<p><b>17. TARIFFS</b></p>	
<p><b>Total revenue allocation</b></p>	
<p><b>17.1</b> Provide:</p>	

Description	Location/ Response
<p><b>(a)</b> an explanation, including any relevant calculations, of the methods or principles used to allocate relevant cost pools;</p>	<p>Please refer to section 12.9 of attachment 12 of the AAI and associated appendices.</p>
<p><b>(b)</b> for rebateable services, a description of the mechanism that <i>ActewAGL</i> will use to apply an appropriate portion of the revenue generated from the sale of rebateable services to price rebates (or refunds) to <i>users of reference services</i> (see Rule 93 of the NGR).</p>	<p>ActewAGL does not have any rebateable services.</p>
<p><b>Tariffs – distribution pipelines (see Rule 94 of the NGR)</b></p>	
<p><b>17.2</b> For each <i>tariff</i>, and if it consists of two or more charging parameters, each charging parameter for a <i>tariff class</i>, provide:</p>	
<p><b>(a)</b> a description of how <i>ActewAGL</i> has taken into account the long run marginal cost for the <i>reference service</i> or, in the case of a charging parameter, for the element of the service to which the charging parameter relates;</p>	<p>Please refer to section 12.9.1.2 of attachment 12 of the AAI and associated appendices, and ActewAGL’s Tariffs Structures Statement.</p>
<p><b>(b)</b> details of the transaction costs associated with the <i>tariff</i> or each charging parameter;</p>	<p>Please refer to section 12.9.1.3 of attachment 12 of the AAI.</p>
<p><b>(c)</b> whether <i>customers</i> belonging to the relevant <i>tariff class</i> are able or likely to respond to price signals; and</p>	<p>Please refer to section 12.9.1.4 of attachment 12 of the AAI.</p>
<p><b>(d)</b> an explanation of the methodology used to allocate costs.</p>	<p>Please refer to section 12.9 of attachment 12 of the AAI and associated appendices.</p>
<p><b>Prudent discounts (see Rule 96 of the NGR)</b></p>	

Description	Location/ Response
<b>17.3</b> Identify all prudent discounts that ActewAGL proposes for the <i>next access arrangement period</i> and the <i>users</i> to whom they will apply and explain:	
<b>(a)</b> how each prudent discount is necessary to respond to competition or maintain efficient use of the <i>pipeline</i> ; and	ActewAGL is not proposing any prudent discounts for the 2016-21 access arrangement period.
<b>(b)</b> whether, including relevant calculations, <i>reference tariffs</i> would be higher without the prudent discount than they would be with the prudent discount.	N/A - see response to 17.3 (a).
<b>18. REFERENCE TARIFF VARIATIONS</b>	
<i>Reference tariff variation mechanism</i>	
<b>18.1</b> Provide an explanation of:	
<b>(a)</b> the proposed <i>reference tariff variation mechanism</i> and the basis for any parameters used in the mechanism; and	See section 13.4 of attachment 13 in the AAI. The basis for the reference tariff adjustment factors is provided in schedule 4 of the 2016-21 access arrangement.
<b>(b)</b> the administrative arrangements for periodic reviews of <i>tariffs</i> including the timing of notifications to the <i>AER</i> .	See section 13.6 of attachment 13 in the AAI and part 7 of the 2016-21 access arrangement.
<b>18.2</b> Identify:	

Description	Location/ Response
<p>(a) the possible effects of the proposed <i>reference tariff variation mechanism</i> on ActewAGL's administrative costs and, if known, the administrative costs of <i>users</i> or potential <i>users</i>; and</p>	<p>Administrative costs associated with the WAPC are addressed in table 13.1 in attachment 13 of the AAI. The proposed annual automatic variation factors and the proposed cost pass through arrangements are expected to reduce administrative costs for AAD compared with the current arrangements.</p> <p>Administrative costs for users or potential users are unknown but expected to be low.</p>
<p>(b) all relevant regulatory arrangements ActewAGL considers applicable to the relevant <i>reference services</i> before the commencement of the proposed <i>reference tariff variation mechanism</i>.</p>	<p>The reference services are subject to the reference tariff variation mechanism specified in part 6 of the 2010-15 access arrangement, and described in section 13.3 of attachment 13 of the AAI.</p>
<p><b>Cost pass through mechanism</b></p>	
<p><b>18.3</b> Provide:</p>	
<p>(a) a definition and description of each cost pass through event;</p>	<p>See reference tariff variation attachment 13.</p>
<p>(b) an explanation of how each cost pass through event is uncontrollable;</p>	<p>See reference tariff variation attachment 13.</p>
<p>(c) an explanation of whether the costs of the cost pass through event are already provided for through the <i>operating expenditure</i> or <i>capital expenditure</i> forecasts, the WACC (events which affect the market generally and not just the provider are systemic risk and already compensated through the WACC), or any other mechanism or allowance; and</p>	<p>See reference tariff variation attachment 13.</p>

Description	Location/ Response
<p><b>(d)</b> an explanation of the administrative arrangements for cost pass through events and their relationship to other periodic reviews for other <i>tariff</i> variation mechanisms including the timing of notifications to the <i>AER</i>.</p>	<p>See reference tariff variation attachment 13.</p>
<p><b>18.4</b> Identify:</p>	
<p><b>(a)</b> the materiality threshold <i>ActewAGL</i> proposes for cost pass through events;</p>	<p>See reference tariff variation attachment 13.</p>
<p><b>(b)</b> the possible effects of the proposed cost pass through mechanism on <i>ActewAGL's</i> administrative costs and, if known, the administrative costs of <i>users</i> or potential <i>users</i>; and</p>	<p>See reference tariff variation attachment 13.</p>
<p><b>(c)</b> all relevant regulatory arrangements <i>ActewAGL</i> considers applicable to the relevant <i>reference services</i> prior to the commencement of the proposed cost pass through mechanism.</p>	<p>See reference tariff variation attachment 13.</p>
<p><b>19. NON-TARIFF COMPONENTS</b></p>	
<p><b>Non-tariff terms and conditions</b></p>	
<p><b>19.1</b> Provide:</p>	
<p><b>(a)</b> details of any amendments to the non-<i>tariff</i> terms and conditions of the <i>access arrangement</i> that <i>ActewAGL</i> proposes for the <i>next access arrangement period</i>; and</p>	<p>Please refer to the Reference Service Agreement included in Schedule 5 of the 2016-21 access arrangement proposal, and attachment 14 of the AAI.</p>

Description	Location/ Response
<b>(b)</b> for each amendment identified in section 19.1(a), explain the reasons for the proposed amendment.	Please refer to attachment 14 of the AAI.
<b>Queuing requirements</b>	
<b>19.2</b> Provide details of the process or mechanism for order of priority for spare or developable capacity, (for example, whether it is to be as a first-come-first-served basis or by auction).	Please refer to Part 12 of the 2016-21 access arrangement proposal which deals with queuing.
<b>Capacity trading requirements</b>	
<b>19.3</b> Identify the rules or <i>procedures ActewAGL</i> must accord with under Rule 105 of the NGR.	Please refer to Part 10 of the 2016-21 access arrangement proposal, and clause 27.3 of the Reference Service Agreement, each of which deals with capacity trading.
<b><i>Extension and expansion requirements (see Rule 104 of the NGR)</i></b>	
<b>19.4</b> Provide:	
<b>(a)</b> details of any <i>extension and expansion requirements</i> where that <i>extension and expansion requirement</i> states that the <i>access arrangement</i> will apply to incremental services to be provided as a result of the extension or expansion;	See section 14.9 of attachment 14 of the AAI and part 9 of the 2016-21 access arrangement.
<b>(b)</b> details of the effect of those <i>extension or expansion requirements</i> identified in section 14.4(a) on <i>tariffs</i> .	See section 14.9 of attachment 14 of the AAI and part 9 of the 2016-21 access arrangement.
<b>Change of receipt or delivery point by user</b>	
<b>19.5</b> Explain:	

Description	Location/ Response
<p><b>(a)</b> how <i>users</i> may obtain consent, including identifying any relevant conditions, to change <i>receipt or delivery points</i> as contemplated under Rule 106 of the NGR;</p>	<p>Please refer to Part 11 of the 2016-21 access arrangement proposal, and clause 13 of the Reference Service Agreement, each of which deals with changing receipt and delivery points.</p>
<p><b>(b)</b> where relevant, the technical or commercial considerations and other relevant conditions in the event <i>ActewAGL</i> intends to withhold consent to a change in a <i>receipt or delivery point</i>.</p>	<p>In the most common circumstances, changes to delivery points and receipt points can be made without specific ActewAGL consent* however where specific consent is required, it may only be withheld on reasonable grounds, and may be given subject to reasonable commercial and technical conditions. Specific grounds and conditions will depend on the circumstances of the requested change, but may include whether:</p> <ul style="list-style-type: none"> <li>• ActewAGL will receive at least the same amount of revenue relative to the amount it would have received before the change,</li> <li>• there is sufficient network capacity to accommodate the change,</li> <li>• facilities exist at the receipt point or delivery point that are suited to the service, and</li> <li>• ActewAGL’s billing and data systems are able to accommodate the requested change.</li> </ul> <p>(*) Users may change delivery points by adding or deleting delivery points in accordance with clauses 11 and 12 of the Reference Service Agreement, which includes circumstances where delivery points are churned between network users in accordance with the retail market procedures.</p>
<p><b>20. POLICIES AND PROCEDURES</b></p>	
<p><b>20.1</b> List and provide a brief description of key internal plans, policies, <i>procedures</i> or strategies that are used to plan and conduct <i>ActewAGL's</i> day to day operations and that have been relied upon in the development of the <i>access arrangement proposal</i>. This includes:</p>	<p>Refer to the capex and opex attachments (6 and 5 respectively) as well as attachment 4 of the AAI.</p>

Description	Location/ Response
<p><b>(a)</b> plans, policies, <i>procedures</i> or strategies applicable to the management, maintenance, and planning of networks, for example - <i>augmentation</i> and planning, cost estimation, asset management, condition monitoring and replacement, operations and maintenance, and demand, energy supply and <i>customer</i> growth forecasting;</p>	<p>Refer to the capex and opex Attachments (6 and 5 respectively) as well as attachment 4 of the AAI.</p>
<p><b>(b)</b> plans, policies, <i>procedures</i> or strategies applicable to investment decision making and the allocation of costs, for example - risk assessment and management, investment evaluation, prioritisation and options analysis, corporate governance and investment approval, procurement, <i>project</i> management, and cost allocation.</p>	<p>Refer to the capex and opex attachments (6 and 5 respectively) as well as attachment 4 of the AAI.</p>
<p><b>20.2</b> Identify any internal plans, policies, <i>procedures</i> and strategies that have changed in the <i>current access arrangement period</i> or that will change before the <i>next access arrangement period</i> where the change has had a material impact on forecast expenditures for the <i>next access arrangement period</i>.</p>	<p>See attachment 6 capital expenditure and 5 operating expenditure.</p>



Description	Location/ Response
<b>21. CONFIDENTIAL INFORMATION</b>	
<b>21.1</b> If <i>ActewAGL</i> wishes to make a claim for confidentiality over any <i>ActewAGL information</i> , provide the details of that claim in accordance with the requirements of <i>AER's Confidentiality Guideline</i> , <sup>2</sup> as if it extended and applied to that claim for confidentiality.	A table of CONFIDENTIAL of items will be presented to the AER as part of the ActewAGL submission including the RIN response.
<b>21.2</b> Provide any details of a claim for confidentiality in response to section 21.1 at the same time as making the claim for confidentiality.	Covering letter addresses.
<b>21.3</b> Confirm, in writing, that <i>ActewAGL</i> consents to the <i>AER</i> disclosing all other <i>ActewAGL information</i> on the <i>AER</i> website.	<i>ActewAGL</i> consents to the <i>AER</i> disclosing all other <i>ActewAGL information</i> on the <i>AER</i> website that is not marked as CONFIDENTIAL.

Attachments to Schedule 1:

- S.01 Explanation on Provisions – (see item 12.1).
- S.02 Jemena EA
- S.03 ActewAGL EA
- S.04 Full response to item 5.2c.
- S.05 REMOVED NO LONGER NEEDED - AER ADVISED 2015-07-06
- S.06 Full response to item 16.1 (a).
- S.07 Full response to item see 9.5 (c).