

Workbook 1 – Regulatory Determination Basis of Preparation

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1 OVERVIEW

1.1 Introduction

On 31 October 2018, the Australian Energy Regulator (AER) issued Energex Limited (Energex) with a Regulatory Information Notice (RIN) under Division 4 of Part 3 of the National Electricity (Queensland) Law.

Paragraph 1.3 in Schedule 1 of the RIN requires for all information, other than forecast information, provide in accordance with this RIN, a basis of preparation (BoP) demonstrating how Energex has complied with the RIN in respect of the information in each regulatory template in the Microsoft Excel Workbooks attached at Appendix A.

This BoP relates to the information provided in the regulatory template, 'EGX 17.046 2020 – 2025 Regulatory Determination RIN template JAN19 PUBLIC.xlsx'.

1.2 Structure

Each chapter of this document corresponds to a particular template. For each table within a particular template Energex have explained:

- how Energex have complied with the RIN requirements;
- the source of the information;
- the methodology and assumptions used to calculate the information; and
- whether the information used is estimated or actual based on the RIN definitions.

2 BOP Template CPI Series

2.1 Nominated CPI Series

Clause 9.1 of Schedule 1 requires Energex to provide:

- a) *in Workbook 1 – regulatory determination, regulatory template CPI, the CPI series and index used by Energex in estimating its forecast capex proposal and the forecast opex proposal.*

2.1.1 Consistency with RIN Requirements

Energex has populated the CPI series and index in Workbook 1 as required.

2.1.2 Source of information

The Consumer Price Index data has been obtained from the Australian Bureau of Statistics website.

2.1.3 Methodology

Assumptions

No assumptions have been applied.

Approach/ methodology

Energex's regulatory models have been populated with the published Consumer Price Index data from the Australian Bureau of Statistics website.

2.1.4 Estimated information

Justification for estimated information

Not applicable.

Basis for estimated information

Not applicable.

3 BOP Template 6.1 – Telephone answering

3.1 Table 6.1.1

Energex is required to populate Template 6.1.1, 'Telephone Answering Data' for the period 1 July 2013 to 30 June 2018, for:

- a) Total number of calls (after removing excluded events)
- b) Number of calls answered within 30 seconds (after excluding excluded events)

3.1.1 Consistency with RIN requirements

The data was sourced from reports and systems which have been used to supply this data for previous Annual Performance (AP) and Annual Reporting (AR) RINs.

This information has previously been independently audited/reviewed as part of the AP and AR RINs as required by those RINs. The relevant audit/review reports have been included in Energex's submission to the AER for each regulatory reporting year for the AP and AR RINs.

3.1.2 Source of information

Table 1 Source for each variable

Variable	Source
Total number of calls (after removing excluded events)	<p><i>1 July 2013 to 24 April 2015</i></p> <p>Genesys system and its incorporated reporting tool named Call Centre Analyser (CCA).</p> <p><i>25 April 2015 to 30 June 2018</i></p> <p>Cisco Unified Intelligence Centre (CUIC) for telephony data and Energex Performance Management EPM Report (RNP026) for declared Major Event Day (MED).</p>
Number of calls answered within 30 seconds (after excluding excluded events)	<p><i>1 July 2013 to 24 April 2015</i></p> <p>Genesys system and its incorporated reporting tool named CCA.</p> <p><i>25 April 2015 to 30 June 2018</i></p> <p>CUIC and EPM Report (RNP026).</p>

3.1.3 Methodology

Assumptions

1 July 2013 to 24 April 2015

Energex has a number of phone numbers including a faults line, for reporting loss of supply or supply problems (136262), an emergency line for reporting dangerous situations such as wires down

(131962) and two corporate lines for general and international enquiries. All of these calls were handled by Energex's hosted telephone service provided by Telstra up to 25 April 2015. This Genesys system was provided and supported by Telstra and had been in place since 2005.

In accordance with the specification calls reported for the variables listed in are calls to the faults line. The faults line uses an IVR which has the capability to identify the location of a caller (e.g. prompt a caller to enter their post code or auto-location based on phone number) and to provide specific outage advice to those callers. This IVR information satisfies a large proportion of the callers to the faults line. Calls that proceed and transfer from the IVR are recorded and timed from the time they are transferred from the IVR to an operator. This includes calls that relate to a fault where the customer has incorrectly called the Emergency or Corporate lines, i.e. all faults calls are recorded and timed.

The STPIS definition requires that calls abandoned within 30 seconds of the call being queued for response by a human operator be excluded from this data. The Energex system records the number of abandoned calls, but not at which point in time the call is abandoned. As required by the STPIS definition, Energex assumes 20% of calls are abandoned during the 30 second period and not captured, so it adds 20% back onto the number of calls answered within 30s tally to calculate the number of calls answered within 30 seconds for STPIS reporting purposes.

Calls that are received on MED days are deducted from the variables titled total number of calls (after removing excluded events) and number of calls answered within 30 seconds (after excluding excluded events).

25 April 2015 to 30 June 2018

Energex replaced the Genesis telephony system by Cisco hosted by OPTUS after 25 April 2015. The system uses the same phone numbers as before, and uses CIUC for its reporting.

The CIUC system was more detailed than Genesis. The CIUC reporting system exported data to spreadsheets and it generated multiple reports as required. The CIUC system also records calls that were abandoned before its service level threshold of 30 sec. As a result, Energex has been able to report actual data for calls received after 25 April 2015.

Approach/ methodology

1 July 2013 to 24 April 2015

Genesys

The Genesys system incorporates a reporting tool named CCA. CCA was used to provide daily statistics on phone calls including total number of calls and number of calls answered within 30 seconds. Data was exported from CCA into a spreadsheet to calculate the RIN data once per year.

Calls that are received on MED days were deducted from the variables listed in titled total number of calls (after removing excluded events) and number of calls answered within 30 seconds (after excluding excluded events).

25 April 2015 to 30 June 2015

CIUC

Calls that are made to Energex are recorded at certain intervals as the call transitions between the automated IVR and queuing for answer by a human operator. The call data is recorded by the Cisco system managed jointly by Optus and Energy Queensland. This data is extracted using the CIUC.

Calls received were then calculated by summing up all calls received each day. This information was contained in CUIC reports.

A report in EPM (RNP026) created by the Network Reliability team was used to confirm STPIS MED dates. The MEDs were removed from daily data to provide the figure "Number of calls after removing excluded events". The MED days have been entered as a zero figure.

1 July 2015 to 30 June 2018

Calls that are made to Energex are recorded at certain intervals as the call transitions between the automated IVR and queuing for answer by a human operator. The call data is recorded by the Cisco system managed jointly by Optus and Energy Queensland. A custom report was developed in CUIC to extract daily summary figures for the loss of supply lines. This daily summary also included calls that were abandoned within service level which has been set as 30 seconds for the loss of supply lines.

Throughout the year, the Customer Performance team tracks our performance against STPIS on a daily basis. The extracted data is crosschecked against this for validation.

A report in EPM (RNP026) created by the Network Reliability team was used to confirm STPIS MED dates. The MEDs were removed from daily data to provide the figure "Number of calls after removing excluded events". The MED days have been entered as a zero figure.

3.1.4 Estimated information

Justification for estimated information

1 July 2013 to 24 April 2015

The Genesys system records the number of abandoned calls, but not at which point in time the call is abandoned. As a result, the Genesys system was not able to report as required by the STPIS definition requires that calls abandoned within 30 seconds of the call being queued for response by a human operator be excluded from this data. During this period, call information was not able to be provided for a total of seven (7) days as a result of system errors causing partial or complete loss of data and was unable to be retrieved.

Basis for estimated information

1 July 2013 to 24 April 2015

Energex applied the following calculations to estimate the required information of call data:

- Estimated total calls received: The volume of calls received was estimated using an application called iReport which records the number of calls that entered the IVR and also those that transferred from the IVR. In the instances of days where data was not recorded in the Genesys system, Energex have used the calls transferred from the IVR as an estimate of 'total calls received'.
- Estimated total calls abandoned: The volume of calls abandoned was determined by calculating the percent of calls abandoned for the days within the month where data was available. This percent was then applied to the estimated total calls received.
- Estimated calls answered in 30 seconds: The volume of calls answered in 30 seconds was determined by calculating the percent of calls answered in 30 seconds for the days within the month where data was available. This percent was then applied to the total calls received

4 BOP Template 7.4 – Shared assets

4.1 Table 7.4.1 – Unregulated revenue earned with shared assets

The AER requires Energex to provide historical information for unregulated revenue earned with shared assets for 2010/11 to 2017/18.

4.1.1 Consistency with RIN requirements

Schedule 1 and Appendix E of the RIN does not contain any explicit requirements or instructions for this template.

Appendix F contains definition of “Shared Assets unregulated revenue”. The information provided in Table 7.4.1 is consistent with this definition.

General consistency with the RIN requirements:

- All variables for cells shaded yellow have been populated as required by the Notice.
- All historical information provided is in nominal dollars, unless otherwise specified.
- Calculations were performed by the Legal, Regulation and Pricing team to convert nominal dollars to real dollars for the forecast information.

4.1.2 Source of information

The information populated for shared asset revenue has been obtained from the Ellipse, General Ledger.

4.1.3 Methodology

Assumptions

The AER’s Shared Asset Guideline defines shared assets as those assets used to provide both electricity supply services (regulated by the AER) and other unregulated services. They are regulated assets used to provide standard control services from which a network service provider earns additional unregulated revenue streams.

For Energex, shared assets are restricted to system assets and do not apply to non-system assets such as fleet, buildings, tools and equipment for the following reasons:

- Existing non-system assets in the RAB at the start of the regulatory period were adjusted to remove costs associated with the provision of unregulated services; and
- Energex’s current cost allocation method (CAM) requires the cost associated with non-system assets to be allocated accordingly to unregulated services.

As a result, only unregulated revenue earned from system assets has been included in this template.

Approach/methodology

The shared asset revenue earned from supply system assets is for the use of distribution assets such as transmission towers, power poles, street lighting and underground conduits for supporting other services such as telephone or fibre optic communication cables. This revenue is recorded using a distinct general ledger product code (P012 shared assets) and was extracted from the audited trial balance reports for all years from 2010/11 to 2017/18.

The forecast was extracted from the Corporate Budget using the same methodology.

4.1.4 Estimated information

Justification for estimated information

Not applicable.

Basis for estimated information

Not applicable.