

Ergon Energy Reset RIN Workbook 5 – EBSS



Basis of Preparation

31 January 2019



1 Overview

1.1 Introduction

On 31 October 2018, the Australian Energy Regulator (AER) issued Ergon Energy Corporation Limited (Ergon Energy) 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, to provide in accordance with the RIN and the instructions in Appendix E, a basis of preparation demonstrating how Ergon Energy has complied with this notice in respect of the information in each regulatory template in the Microsoft Excel Workbooks attached at Appendix A of the Notice.

This Basis of Preparation relates to the information provided in the regulatory template Ergon Energy 2021-2025 - Efficiency Benefit Sharing Scheme - Regulatory Information Notice templates.xlsx (Workbook 5 – EBSS).

2 BOP EBSS Template

2.1 RIN Instructions

The AER requires Ergon Energy to provide the following information for the EBSS regulatory template:

- Template 7.5.1 captures the carryover amounts that arise from applying the Efficiency Benefit Sharing Scheme (EBSS) during the current regulatory control period; and
- Template 7.5.2 captures the proposed forecast opex for the EBSS for the forthcoming regulatory control period.

In accordance with Schedule 2 paragraph 1.2 of the Notice the basis of preparation relates to all information other than forecast information. All historical information was previously audited as part of the Annual Reporting Regulatory Information Notice (AR RIN) independent audit. As such, no further audit or review is required for actual or estimated information as stated in Appendix C par 1.2 (a).

2.2 Consistency with RIN Requirements

Requirements	Consistency with the RIN requirements
Ergon Energy must provide the source of the information used to populate workbook 5 – EBSS, tables 7.5.1.1 and 7.5.1.2 and identify how the information reconciles with information previously reported in the Annual Reporting RIN and Economic Benchmarking RIN.	Data populated in Template reconciles to previously reported data.

2.3 Source of information

Variable	Source
Total Opex allowance	AER – Final decision Ergon Energy distribution determination – Attachment 7 – Operating expenditure – October 2015
Total Opex	<p>AER – Final decision Energex distribution determination – Efficiency benefit sharing scheme model – October 2015 (2013/14 – 2014/15)</p> <p>Ergon Energy Annual Reporting Regulatory Information Notices (2015/16 – 2017/18)</p>
Debt raising costs	<p>AER – Final decision Energex distribution determination – Efficiency benefit sharing scheme model – October 2015 (2013/14 – 2014/15)</p> <p>Ergon Energy Annual Reporting Regulatory Information Notices (2015/16 – 2017/18)</p>
Capitalisation policy changes	<p>AER – Final decision Energex distribution determination – Efficiency benefit sharing scheme model – October 2015 (2013/14 – 2014/15)</p> <p>Ergon Energy Annual Reporting Regulatory Information Notices (2015/16 – 2017/18)</p>
Movements in provisions related to opex	<p>AER – Final decision Energex distribution determination – Efficiency benefit sharing scheme model – October 2015 (2013/14 – 2014/15)</p> <p>Ergon Energy Annual Reporting Regulatory Information Notices (2015/16 – 2017/18)</p>
Other adjustments or exclusions required by EBSS	<p>AER – Final decision Energex distribution determination – Efficiency benefit sharing scheme model – October 2015 (2013/14 – 2014/15)</p> <p>Ergon Energy Annual Reporting Regulatory Information Notices (2015/16 – 2017/18)</p>

2.4 Methodology

2.4.1 Assumptions

No assumptions were applied in completing Workbook 5.

2.4.2 Approach

Input values were entered into Workbook 5 in accordance with AER directions using information from the 2015-20 Regulatory Determination.

2.5 Estimated information

Not Applicable.