



Revised Regulatory Proposal

Supporting Information: Access Track Creation Program

Aurora response to the AER's Draft Distribution Determination

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Aurora Energy Pty Ltd

ABN 85 082 464 622

Level 2 / 21 Kirksway Place

Hobart TAS 7000

www.auroraenergy.com.au

Enquiries regarding this Document should be addressed to:

Network Regulatory Manager

Aurora Energy Pty Ltd

GPO Box 191

Hobart TAS 7001

e-mail: RRP2012@auroraenergy.com.au

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1. Introduction

Aurora provided the AER with its *Regulatory Proposal* on 31 May 2011 in accordance with the provisions of Chapter 6 of the *Rules*. Aurora also set out its answers to the Regulatory Information Notice (RIN) issued by the AER on 21 April 2011 in its response (*RIN Response*) of 31 May 2011.

The AER have reviewed Aurora's *Regulatory Proposal* and *RIN Response* and provided Aurora with the AER's *Draft Distribution Determination*, associated consultant's reports and AER models on 29 November 2011 in accordance with the provisions of Chapter 6 of the *Rules*.

Aurora provides its *Revised Regulatory Proposal* to the AER in response to the AER's *Draft Distribution Determination* in accordance with the provisions of Chapter 6 of the *Rules*. This document provides specific supporting information as an appended attachment to Aurora's *Revised Regulatory Proposal*

2. Access Track Creation Program (REOTC)

2.1. Summary

In Aurora's *Regulatory Proposal*, Aurora proposed a program to construct access tracks so that employees and contractors could safely access the network. The driver of this program is safety.

In its *Aurora's Revenue Review*¹ report to the AER, the AER's consultant determined that this program was primarily related to addressing reliability issues with no explanation as to how this decision was arrived at. As a result of this, the AER has rejected this program.

Aurora considers that the AER's consultant made an error in assessing the drivers of this program as reliability driven, as opposed to not safety driven. Aurora considers that the program be included in Aurora's program of work for the forthcoming Regulatory Control Period.

2.2. Background

In Aurora's *Regulatory Proposal*, Aurora proposed a program to create access tracks to ensure the safety of employees and contractors undertaking work on the network.

The aim of this program is to address situations where the condition of an access track is so poor that it cannot be safely used without major repairs, such as rebuilding river crossings, or where no existing access track exists.

Funding to maintain access tracks was not allowed by OTTER in an earlier distribution determination and as a consequence a number of access tracks were lost due to erosion and overgrown vegetation. Funding is required to rebuild these tracks and to provide safe access for Aurora's workforce.

In its *Aurora's Revenue Review*² report to the AER, the AER's consultant determined that this program was primarily related to addressing reliability issues with no explanation as to how this decision was arrived at. As a result of this, the AER rejected this program.

The consultant did not offer any other reasons to eliminate this program other than it was believed to be reliability driven and could be funded from savings in OPEX such as reduced GSL payments. Creating access tracks will not reduce operating expenditure and will have a minimal impact on the level of GSL payments, so there is no alternative source of funding to address this safety issue.

¹ Report – Principle Technical Advisor, Aurora Electricity Distribution Revenue Review, page 126 & 127

² Ibid

Aurora considers that the AER's consultant made an error in assessing the primary drivers of this program as reliability driven, as opposed to safety driven. Aurora considers that the program should be included in Aurora's program of work for the forthcoming *Regulatory Control Period*.

2.3. Recommendation

Aurora contends that due to the errors in its *draft distribution determination*, the AER reconsider their decision to reject the Access Track Creation program based on the drivers and include the program in Aurora's program of work for the forthcoming *Regulatory Control Period*.

3. Confidentiality

Aurora does not consider any section of this document to be confidential.