



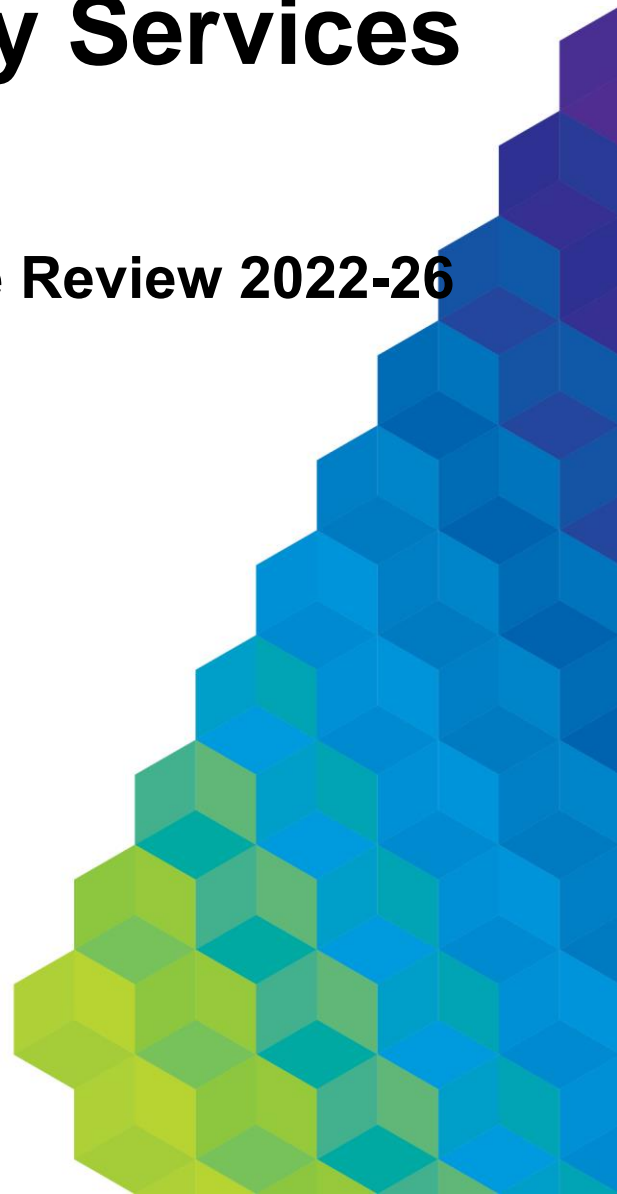
Statement of Compliance with Clause 71YA of the NEL

AusNet Electricity Services Pty Ltd

Electricity Distribution Price Review 2022-26

PUBLIC

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About AusNet Services

AusNet Services is a major energy network business that owns and operates key regulated electricity transmission and electricity and gas distribution assets located in Victoria, Australia. These assets include:

- A 6,574 kilometre electricity transmission network that services all electricity consumers across Victoria;
- An electricity distribution network delivering electricity to approximately 680,000 customer connection points in an area of more than 80,000 square kilometres of eastern Victoria; and
- A gas distribution network delivering gas to approximately 572,000 customer supply points in an area of more than 60,000 square kilometres in central and western Victoria.

AusNet Services' purpose is 'to provide our customers with superior network and energy solutions.'

For more information visit: www.ausnetservices.com.au

Our AusNet Services Values are the foundation
for how we achieve our objectives



Contact

This document is the responsibility of the Regulated Energy Services division of AusNet Services. Please contact the indicated owner of the document below with any inquiries.

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Melbourne Victoria 3006

NER requirements

Section 71YA(2) of the NEL prohibits a network service provider from including in its regulatory proposal expenditure or costs resulting from or incidental to merits review and other non-judicial review proceedings conducted under Division 3 of the NEL (**71YA Costs**). A network service provider must not recover or seek a pass through of any such expenditure or costs.

Where any 71YA Costs have been incurred or are forecast to be incurred by AusNet Services, item 35.1 of the RIN requires AusNet Services to identify the expenditure or cost and provide a statement attesting that:

- AusNet Services has not included any of that expenditure or cost, or any part of that expenditure or cost, in the capital or operating expenditures contained in its regulatory proposal; and
- AusNet Services has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and
- AusNet Services has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.

This statement is provided in satisfaction of this requirement.¹

Identification of relevant expenditure

AusNet Services' Audited Regulatory Accounts for the calendar years 2015, 2016 and 2017 contain costs incurred as a result of or incidental to merits review or other non-judicial review. These costs are set out in table 1 below.

Table 1 Costs incurred as a result of or incidental to merits review or other non-judicial review

	2015	2016	2017	Total
Legal Fees	141,240	148,993	15,661	305,893

Source: AusNet Services

Statement of Compliance with Clause 71YA of the NEL

AusNet Services has identified the 71YA Costs and has made the following adjustments to ensure compliance with section 71YA of the NEL:

- All 71YA Costs have been removed from AusNet Services' operating expenditure for the purposes of calculating the EBSS carryovers in 2022-26 regulatory control period.
- No 71YA Costs were incurred in 2018, which is AusNet Services' base year for the purposes of forecasting its operating expenditure in the 2022-26 regulatory

¹ Clause 6.8.2(d) of the NEL states that a regulatory proposal must comply with the requirements of, and must contain or be accompanied by the information required by, any relevant regulatory information instrument (which includes the RIN issued by the AER to AusNet Services).

control period, so no further adjustment to AusNet Services' expenditure forecasts is necessary.

Accordingly, I confirm that:

- AusNet Services has not included any expenditure or cost to which s 71YA applies that it has incurred, or any part of that expenditure or cost, in the capital or operating expenditure forecasts contained in this regulatory proposal; and
- AusNet Services has not recovered any expenditure or cost to which s 71YA applies, or any part of that expenditure or cost, from end users; and
- AusNet Services has not sought to pass through any expenditure or cost to which s 71YA applies, or any part of that expenditure or cost, to end users; and
- in satisfaction of item 35.2 of the RIN, AusNet Services is not forecast to incur any expenditure or cost to which s 71YA applies in the 2022-26 regulatory control period.

Signed:



Tom Hallam
General Manager, Network & Regulatory
Strategy
AusNet Electricity Services Pty Ltd

31 January 2020