	Provision of Schedule 1 of the RIN		AusNet Services' Response
1	**PROVIDE INFORMATION**		
1.1	Provide the information required in each Regulatory Template in the Microsoft Excel Workbook attached at Appendix A		Information is provided in accordance with these requirements. As per correspondence with the AER (G Huang 15 Oct 15) the failure of protection system sub-parameter data is based on AusNet Services' current reporting, and will be refined for future RINs.
(a)	This *notice*;		
(b)	the instructions in the Microsoft Excel Workbook attached at Appendix A;		
(c)	the Principles and Requirements in Appendix E; and		
(d)	the applicable approved cost allocation methodology		
1.2	For information other than Forecast Information, provide in accordance with this notice and the Principles and Requirements in Appendix E, a Basis of Preparation demonstrating AusNet has complied with this notice, in respect of:		The Basis of Preparation is submitted with the Revenue Proposal.
(a)	the information in each Regulatory Template in the Microsoft Excel Workbook attached at Appendix A; and		
(b)	any other information prepared in accordance with the requirements of this notice.		
1.3	Provide any other supporting information or documentation that is directly relevant to the preparation of the revenue proposal.		The final pages of the Revenue Proposal lists the Appendices and references relied upon. In addition to the material listed here, other supporting information is also provided with the Revenue Proposal.
1.4	Provide the applicable cost allocation methodology, or where the cost allocation methodology has not yet been approved by the AER, the proposed cost allocation methodology.		AusNet Services' current Cost Allocation Methodology is provided as Appendix 1A to this Revenue Proposal.
1.5	Provide for the purposes of the preparation of the revenue proposal:		Consultants' reports are provided as appendices, and are listed on the final pages of the Revenue Proposal.
(a)	all consultants' reports commissioned and relied upon in whole or in part;		Section 4.4 (for capital expenditure) and section 5.4 (for operating expenditure) and relevant consultants' reports.
(b)	all material assumptions relied upon; and		
(c)	a table that references, for the instances where AusNet has responded to a paragraph in this Schedule 1, where it is provided in or as part of the revenue proposal, proposed pricing methodology and negotiating framework.		This document provides the required information.
1.6	Provide for each material assumption identified in the response to paragraph 1.5(b):		The assumptions are listed in sections 4.4 and 5.4 of the revenue proposal. The impact of these assumptions on the expenditure forecasts is summarised in these sections, and, where relevant, explained in further detail in the subsequent sections of chapters 4 and 5. Where assumptions are directly relevant to the expenditure forecasts, they will be identified as inputs to the capex and opex forecasting models.
(a)	its source or basis;		
(b)	if applicable, its quantum		
(c)	whether and how the assumption has been applied and was taken into account; and		
(d)	the effect or impact of the assumption on the capital and operating expenditure forecasts in the forthcoming regulatory control period taking into account:		
(i)	the actual expenditure incurred during the current regulatory control period; and		
(ii)	the sensitivity of the forecast expenditure to the assumption		
1.7	Capital and operating expenditure forecasts provided in the regulatory templates must be reconciled to the ex-ante capital and operating allowances in Post-Tax Revenue Model for the forthcoming regulatory control period.		The regulatory templates reconcile to the forecast capital and operating expenditure numbers in the PTRM.
1.8	Where the revenue proposal varies or departs from the application of any component or parameter of the efficiency benefit sharing scheme, capital expenditure sharing scheme or service target performance incentive scheme set out in the framework and approach paper, for each variation or departure explain:		No variations or departures are proposed in relation to these 3 schemes, which are addressed in the Revenue Proposal as follows: - Section 7.4 notes that the EBSS outlined in the AER's F&A paper will apply. - Section 7.5 notes that the CESS outlined in the AER's F&A paper will apply. - Section 7.3 sets out proposals relating to the STPIS. These proposals accord with the applicable schemes promulgated by the AER.
(a)	the reasons for the variation or departure, including why the departure is appropriate;		
(b)	how the variation or departure aligns with the objectives contained in the relevant scheme; and		
(c)	how the proposed variation or departure will impact the operation of the relevant scheme.		
2	**SERVICES PROVIDED BY AUSNET**		
2.1	Provide:		
(a)	the name and a brief description of each category of prescribed transmission service provided by AusNet that is the subject of the revenue proposal.		This information is provided in section 1.1 of the Revenue Proposal
(b)	a brief description of the required quality, reliability and security of supply of each category of prescribed transmission service provided by AusNet.		The standard of transmission services provided are in accordance with: - AusNet Services' compliance obligations, which are listed in sections 2.3.3 and 4.4.1

(c)	A brief description of the required reliability, safety and security of the transmission system provided by AusNet in the supply of prescribed transmission service.		- AusNet Services' service performance targets under the STPIS, as set out in Chapter 7
3	**STEP CHANGES**		
3.1	For all Step changes in forecast expenditure (including those due to changes in regulatory obligations or requirements and those due to changes in AusNet's own policies and strategies) provide:		
(a)	in regulatory template 2.17, the quantum of the Step change AusNet:		Information provided in Regulatory Template 2.17 and section 5.10 of the Revenue Proposal and the opex step change supporting document.
(i)	forecasts to incur in each year of the forthcoming regulatory control period; and, if applicable		
(ii)	has incurred, or expects to incur, in the current regulatory control period relative to expenditure previously approved by the AER;		
(b)	a description of the Step change, including:		
3.2	provide, an explanation of:		Section 5.10 of the Revenue Proposal and the opex step change supporting document provide the required information. AusNet Services has not forecast any capex step changes.
(a)	when the change occurred, or is expected to occur;		
(b)	what the driver of the Step change is;		
(c)	how the driver has changed or will change (for example, revised legislation may lead to a change in a regulatory obligation or requirement); and		
(d)	whether the Step change is recurrent in nature;		
3.3	provide justification for when, and how, the Step change affected, or is expected to affect:		The relevant opex categories affected by the forecast opex step changes are: - Asset Works (SAIP roll out, WMTS mobile switchboard, SCO and MPS asset decommissioning) - IT (establishment of IT security team) - OHS (new emergency response arrangements). Further details are provided in section 5.10 of the Revenue Proposal.
(a)	the relevant opex category;		
(b)	the relevant capex category;		Not applicable as no capex step changes are being proposed.
(c)	total opex; and		Section 5.10 of the Revenue Proposal demonstrates how the forecast opex step changes are expected to affect total opex.
(d)	total capex;		Not applicable as no capex step changes are being proposed.
3.4	provide the process undertaken by AusNet to identify and quantify the Step change; provide cost benefit analysis that demonstrates AusNet proposes to address the Step change in a prudent and efficient manner, including:		Section 5.10 of the Revenue Proposal and the relevant opex step change supporting document provide the required information.
(a)	the timing of the Step change; and		
(b)	if AusNet considered a 'do nothing' option, evidence of how AusNet assessed the risks of this option compared with other options;		
3.5	provide, if the Step change is due to a change in a regulatory obligation or requirement:		The circumstances set out in these provisions do not relate to the relevant step changes described in section 5.10 and the accompanying opex step change supporting paper.
(a)	relevant variations or exemptions granted to AusNet during the previous regulatory control period or the current regulatory control period;		
(b)	relevant compliance audits AusNet conducted during the previous regulatory control period or the current regulatory control period;		
3.6	provide, with reference to specific clauses of the relevant legislative instrument(s), the:		Section 5.10 of the Revenue Proposal and the relevant opex step change supporting document provide the required information.
(i)	previous regulatory obligation or requirement; and		
(ii)	changed regulatory obligation or requirement that is driving the Step change.		
4	**CAPITAL EXPENDITURE**		
4.1	Provide justification for AusNet's total forecast capex, including:		Section 4.2.1 notes this requirement, and outlines how efficiently achieving the capital expenditure objectives was the basis for preparing the forecast. The information provided in chapter 4 and the referenced supporting papers together demonstrate how the total forecast capex addresses the objectives in clause 6A.6.7(a).
(a)	why the total forecast capex is required for AusNet to achieve each of the objectives in clause 6A.6.7(a) of the NER;		

(b)	how AusNet's total forecast capex reasonably reflects each of the criteria in clause 6A.6.7(c) of the NER;	The capex forecast accounts for these criteria as follows: (1) and (2) the prudency and efficiency of the proposed costs required to achieve the capital expenditure objectives is addressed in sections 4.4.8 and 4.5 - benchmarking. (3) demand forecasts used to develop the revenue proposal are presented in section 4.4.2, while cost inputs are explained in the forecasting methodology overview in section 4.3.2 and in further detail in sections 4.4.6 and 4.4.7.
(c)	how AusNet's total forecast capex accounts for the factors in clause 6A.6.7(e) of the NER;	The capex forecast accounts for these factors as follows: (4) The AER's latest benchmarking report is discussed in section 4.5. (5) Details of recent actual capex performance are provided in figure 4.2 and section 4.7. Expenditure forecasts are provided alongside recent actuals in each of these sections. (5A) Chapter 3 sets out information on AusNet Services' consumer engagement activities, and sections 3.6 and 4.2.4 explain how the revenue proposal, and in particular the capex forecast, addresses consumers' concerns. (6) Section 4.4.9 explains how AusNet Services seeks to optimise the mix of capex and opex. (7) See above. (8) The capex forecast is consistent with all applicable incentive schemes. (9) Section 1.1 states that the expenditure forecasts do not contain any costs arising from transactions with related parties. (10) The capital expenditure forecast does not contain an amount that should be treated as a contingent project. One contingent project is proposed, set out in Section 4.8.11. (11) Section 4.2.1 explains that the NTNDP is not directly relevant for this revenue proposal, given that AusNet Services is not the network planner, so the revenue proposal does not include augmentation expenditure. (12) Section 4.4.9 explains that non-network alternatives have been considered, but no viable options have been identified in the forthcoming period. (13) This is not applicable given that AusNet Services is not the network planner, so the revenue proposal does not include augmentation expenditure. (14)N/A
(d)	an explanation of how the plans, policies, procedures and regulatory obligations or requirements identified in regulatory templates 7.1 and 7.3, and consultants reports, and assumptions identified in 1.5 have been incorporated; and	The relevant plans, policies, procedures and regulatory obligations or requirements are provided in templates 7.1 and 7.3, and key assumptions relating to the capital expenditure forecast are also set out in Section 4.4 of the Revenue Proposal. These inputs are incorporated in the capital expenditure forecasts in accordance with the forecasting methodology submitted in March 2015, and summarised in section 4.3 of the Revenue Proposal. Where inputs are directly relevant to the expenditure forecasts, they are identified as inputs to the capex forecasting model.
(e)	an explanation of how each response provided to paragraph 4.1(a) to (d) above is reflected in any increase or decrease in expenditures or volumes, particularly between the current and forthcoming regulatory control periods, provided in regulatory templates 2.1 to 2.10.	Section 4.7 describes the variations in capital expenditure between the current and forthcoming regulatory control periods.
4.2	Provide the model(s) and methodology AusNet used to develop its total forecast capex, including:	
(a)	A description of how AusNet prepared the forecast capex, including:	
(i)	how its preparation differed or related to budgetary, planning and governance processes used in the normal running of AusNet's business;	Section 4.3.1 states that the capex forecast has been prepared in accordance with AusNet Services' BAU processes.
(ii)	the processes for ensuring amounts are free of error and other quality assurance steps; and	Section 4.3.2 describes the quality assurance undertaken by AusNet Services.
(iii)	if and how AusNet considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers.	AusNet Services' stakeholder engagement activities are described in Chapter 3, which explains how AusNet Services has had regard to stakeholder feedback regarding the trade-off between price and reliability, including through the use of AEMO's Value of Customer Reliability (VCR) in planning capital replacements (described in chapter 4) . As explained in the Executive Summary section 'Forecast Revenue and Prices', the overall price outcome is considered to be in the long term interest of customers.
(b)	any source material used (including models, documentation or any other items containing quantitative data);	The relevant capex models and documentation are provided as supporting documents.
(c)	all calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the regulatory templates.	As above.
4.3	Identify which items of AusNet's forecast capex have been:	

(a)	derived directly from competitive tender processes;		Appendix 4D - Unit rates addresses the information requirements below by describing the derivation of unit rates and the categories of expenditure to which the rates apply.
(b)	based upon competitive tender processes for similar projects;		
(c)	based upon estimates obtained from contractors or manufacturers;		
(d)	based upon independent benchmarks;		
(e)	based upon actual historical costs for similar projects; and		
(f)	reflective of any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable.		Section 4.4.6 of the Revenue Proposal and Appendix 4E - Project Cost Estimating Methodology provides this information.
4.4	Provide all documents which were taken into account and relate to the deliverability of forecast capex and explain the proposed deliverability.		Section 4.13 of the Revenue Proposal and Appendix 4A - Capital Expenditure Overview address the deliverability of the capital expenditure forecast.
	Capex categories		
4.5	Describe each capex category and expenditures comprising these categories identified in the regulatory templates, including:		The capital expenditure categories are defined and explained in section 4.6. Sections 4.8 to 4.10 provide further information on the capex drivers.
(a)	key drivers for expenditure;		
(b)	an explanation of how expenditure is distinguished between:		
(i)	replacement capital expenditure driven by condition and asset replacements driven by other drivers; and		
(ii)	any other capex category or opex category where AusNet considers that there is reasonable scope for ambiguity in categorisation.		
5	**REPLACEMENT CAPITAL EXPENDITURE MODELLING**		
5.1	In relation to information provided in regulatory templates 2.2 with respect to the AER's repex model, provide:		Asset categories are described in the Appendix to Appendix 4A Capital Expenditure Overview.
(a)	In relation to individual asset categories set out in the regulatory templates, provide in a separate document:		
(i)	a description of the asset category, including:		
(A)	the assets included and any boundary issues (i.e. with other asset categories);		As above
(B)	an explanation of how these matters have been accounted for in determining quantities in the age profile;		NA
(C)	an explanation of the main drivers for replacement (e.g. condition, etc.); and		This information is provided in Appendix 4A Capital Expenditure Overview and Various Plant Asset Management Strategies.
(D)	an explanation of whether the replacement unit cost provides for a complete replacement of the asset, or some other activity, including an extension of the asset's life and whether the costs of this extension or other activity are capitalised or not.		This information is provided in Appendix 4D - Unit Rates
(ii)	an estimate of the proportion of assets replaced for each year of the current regulatory period, due to:		This information is provided in Section 4.9
(A)	aging of existing assets (e.g. condition, obsolesce, etc) that should be largely captured by this form of replacement modelling;		As above
(B)	replacements due to other factors (and a description of those factors);		As above
(C)	additional assets due to the augmentation, extension, development of the network; and		As above
(D)	additional assets due to other factors (and a description of those factors).		As above
(b)	Justification for the replacement life statistics provided (the mean and standard deviation), including:		An explanation of replacement life statistics is included in the Appendix to Appendix 4A - Capital Expenditure Overview.
(i)	the methodology, data sources and assumptions used to derive the statistics;		As above
(ii)	the relationship to historical replacement lives for that asset category; and		As above
(iii)	AusNet's views on the most appropriate probability distribution to simulate the replacement needs of that asset category, including matters such as:		As above
(A)	the appropriateness of the normal distribution or another distribution (e.g. the Weibull distribution);		
(B)	the typical age when the "wear out" phase becomes evident;		
(C)	the "skewness" of the distribution; and		
(D)	the process applied to verify that the parameters are a reasonable estimate of the life for the asset category.		
(c)	The derivation of replacement unit costs and asset lives, including any internal documentation or analysis or independent benchmarking, that justifies or supports its cost data. This must cover:		The information is provided in Appendix 4D - Unit Rates
(i)	the methodology, data sources and assumptions used to derive the cost data;		As above
(ii)	the possibility of double-counting in the estimate, and the process applied to ensure this is appropriately accounted for;		Explanation is included in Appendix A to Appendix 4A - Capital Expenditure Overview.

(iii)	the variability in the unit costs between individual asset replacements, and the main drivers of the variability;		As above
(iv)	the relationship of the unit cost, and its derivation, to historical replacement costs for that asset category (this should clearly differentiate and quantify any assumed cost difference due to labour/material cost escalation and other factors);		As above
(v)	the process applied to verify that the parameter is a reasonable estimate of the unit cost for the asset category; and		As above
(vi)	identify and provide information or documentation to justify and support any responses to 5.1(c) above.		As above
(d)	For the previous, current and forecast regulatory control periods, explain the drivers or factors that have affected changing network replacement capital expenditure requirements. Identify and quantify the relative effect of individual matters within the following categories:		
(i)	rules, codes, license conditions, statutory requirements		
(ii)	internal planning and asset management approaches		
(iii)	measurable asset factors that affect the need for expenditure in this category (e.g. age profiles, risk profiles, condition trend, etc.). Identify and quantify individual factors.		
(iv)	the external factors that can be forecast and the outcome measured (e.g. demand growth, customer numbers) that affect the need for expenditure in this category. Identify and quantify individual factors, covering the forecasts and the outcome (external factors required to be discussed here do not relate to changing obligations which are covered in paragraph 3.1);		
(v)	technology/solutions to address needs, covering:		
(A)	network; and		
(B)	non-network		
(vi)	any other significant matters. The information provided above should at least distinguish between the asset categories defined above.		
(vii)	Identify and provide information or documentation to justify and support any responses to 5.1(d) above.		The variations in forecast and actual capital expenditure is set out in section 4.7 of the Revenue Proposal. Key drivers are explained in AusNet Services' Forecasting Methodology, and discussed in sections 4.8 to 4.10 of the Revenue Proposal. Capital expenditure drivers for specific asset types are explained in the Asset Management Strategies (AMS), and main or secondary drivers for specific projects or programs are explained in the planning reports and the Asset Management Plans (AMPs) and programs of work provided as supporting information to the Revenue Proposal. The drivers discussed in these documents encompass the matters set out in paragraphs (i) to (vi) of this provision.
			The documentation provided to support the response is identified above.
6	**DEMAND FORECASTS**		
	[This section is intentionally blank]		
7	**OPERATING AND MAINTENANCE EXPENDITURE**		
	Total forecast operating and maintenance expenditure (opex)		
7.1	Provide:		
(a)	the model(s) and the methodology AusNet used to develop total forecast opex;		Opex model provided with Revenue Proposal. The opex forecasting methodology is outlined in sections 5.3 and detailed in sections 5.3 - 5.12.
(b)	justification for AusNet's total forecast opex proposal, including:		
(i)	why the proposed total forecast opex is required for AusNet to achieve each of the objectives in clause 6A.6.6(a) of the NER;		
(ii)	how AusNet's proposed total forecast opex reasonably reflects each of the criteria in clause 6A.6.6(c) of the NER; and		

(iii)	how AusNet'sproposed total forecast opex accounts for the factors in clause 6A.6.6(e) of the NER;		The application of the base-step-trend approach to AusNet Services' efficient base year opex produces a total opex forecast that is prudent and efficient, and which is required to achieve the operating expenditure objectives set out in the NER. For example, the opex forecast accounts for expected demand for electricity services by including opex attributable to forecast growth in outputs (e.g. circuit length). Further, to ensure the total forecast reasonably reflects the operating expenditure criteria, AusNet Services has taken into account the operating expenditure factors, including: - The AER's recent annual benchmarking report and AusNet Services' actual operations and maintenance expenditure in the currently regulatory control period; - The relative prices of operating and capital inputs; - The substitution possibilities of operating and capital inputs; - Consistency with the incentive schemes being applied to AusNet Services; - Opportunities for efficient and prudent non-network alternatives; and - Consumers' concerns about the impact of opex on price stability and reliability of supply. The relevant factors are further addressed throughout the opex chapter and the opex step change supporting document.
7.2	Provide:		
(a)	the quantum of non-recurrent costs for each year of the forthcoming regulatory control period; and		All forecast opex is considered recurrent with the exception of the step changes identified as non-recurrent in the opex step change supporting document.
(b)	an explanation of each non-recurrent cost;		
7.3	if AusNet used a revealed cost Base year approach to develop its total forecast opex proposal, provide:		Section 5.6 identifies, explains and justifies the base year used to develop the opex forecast.
(a)	the Base year AusNet used; and		
(b)	explanation and justification for why that Base year represents efficient and recurrent costs;		
7.4	If AusNet did not use a revealed cost Base year approach to develop its total forecast opex proposal, provide:		Not applicable.
(a)	forecast expenditure by Opex Category for each year of the forthcoming regulatory control period in Table 2.16.2 for prescribed transmission services opex; and		
(b)	in Microsoft Excel format, clear reconciliation (including all calculations and formulae) of AusNet's forecast total opex proposal to:		
(i)	forecast prescribed transmission services opex by driver in Table 2.16.1; and		
(ii)	forecast prescribed transmission services opex by Opex Category in Table 2.16.2;		
(c)	explanation of major drivers for the increases and decreases in expenditure by Opex Category in the forthcoming regulatory control period compared to actual historical expenditure;		
(d)	explanation and justification for:		
(i)	whether AusNet considers there is a year of historic opex that represents efficient and recurrent costs; or		
(ii)	why AusNet considers no year of historic opex represents efficient and recurrent costs.		
	Real price changes		
7.5	Provide the amount of total forecast opex attributable to changes in the price of labour and materials for each year of the forthcoming regulatory control period in Table 2.14.1 for prescribed transmission services opex;		Regulatory template 2.16 provides this information.
7.6	Provide an explanation of:		
(a)	how, in developing the amount of total forecast opex attributable to changes in the price of labour and materials, AusNet applied the real price measures in regulatory template 2.12; and		Section 5.7.3 and the opex model provide this information.
(b)	whether AusNet's labour price measure compensates for any form of labour productivity change		Section 5.7.3 provides this information.
	Productivity change		
7.7	Provide the amount of total forecast opex attributable to changes in productivity for each year of the forthcoming regulatory control period in Table 2.14.1 for prescribed transmission services opex;		Regulatory template 2.16 provides this information.
7.8	Provide, in percentage year on year terms, the productivity measure that AusNet used to develop the amount of total forecast opex attributable to changes in productivity;		Section 5.7.4 and the opex model provide this information.
7.9	Provide an explanation of:		

(a)	;		AusNet Services understands this paragraph is intended to require information on how, in developing the amount of total forecast opex attributable to changes in productivity, AusNet applied the productivity measure in paragraph 7.8. This information is provided in Section 5.7.4 and the opex model.
(b)	whether AusNet's forecast productivity changes capture the historic trend of cost increases due to changes in regulatory obligations or requirements and industry best practice; and		The productivity forecast captures the historic trend of cost increases due to changes in regulatory obligations or requirements and industry best practice. However, the proposed step changes that are driven by changes in regulatory obligations or requirements and industry best practice are in excess of the historic trend in cost increases caused by such changes. This is explained further in section 5.10.
(c)	whether AusNet's productivity measure includes productivity change compensated for by the labour price measure used by AusNet to forecast the change in the price of labour.		As explained in section 5.7, the labour price measure used does not compensate for any form of labour productivity. All forms of productivity have been captured in the productivity change measure.
	Opex step changes		
7.10	Provide the amount of total forecast opex attributable to opex step changes for each year of the forthcoming regulatory control period in Table 2.14.1 for prescribed transmission services opex;		Regulatory template 2.17 provides this information.
7.11	Provide an explanation of why AusNet considers:		Section 5.10 and opex step change supporting document
(a)	the efficient costs of the Step change are not provided by other components of AusNet's total forecast opex such as base opex, output growth changes, real price changes or productivity change;		
(b)	the total forecast opex will not allow AusNet to achieve the objectives in clause 6A.6.6(a) of the NER unless the Step change is included; and		
(c)	the total forecast opex will not reasonably reflect the criteria in clause 6A.6.6(c) of the NER unless the Step change is included.		
	Vegetation management		
7.12	Provide:		
(a)	compliance audits of vegetation management work conducted by AusNet during the current regulatory control period;		The relevant audits have been provided with the Regulatory Proposal.
8	**RISK MANAGEMENT AND INSURANCE**		
	Risk Management Framework		
8.1	Provide information that sets out AusNet's governance arrangements in relation to the management of risk, including:		The supporting documents "Overview of Risk Compliance Management", AusNet Services' "Risk Management Policy & Framework", and the Directors' resolution to self-insure provides the required information.
(a)	a risk appetite statement, which details the level of risk AusNet's board is willing to accept, including the nature and level of risks and the level of loss that can be sustained;		
(b)	a risk management strategy that describes AusNet's strategy for managing risk and the key elements of the risk management framework that give effect to this strategy; and		
(c)	any other information that demonstrates AusNet's governance arrangements in relation to risks and their management.		
	Self-insurance		
8.2	For each risk for which AusNet is proposing a self-insurance allowance in the revenue proposal:		
(a)	provide a description of the risk and risk exposure including cover, exclusions, and limit;		The Aon self-insurance forecast report and regulatory template 2.1.5 provide the required information.
(b)	explain how each self-insurance allowance has been calculated describing the modelling and detailing key assumptions;		The Aon self-insurance forecast report provides the required information.
(c)	provide a record of historic losses and claims against the self-insurance fund as far as records allow;		Aon self-insurance forecast report (Appendices 2 -5); Regulatory template 7.5 (self-insurance line in Table 7.5.1.2)
(d)	explain 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;		Section 5.12 provides the required information.
(e)	confirm that the risk for which self-insurance is being sought is not recovered through any other mechanism; and		
(f)	explain why, if a self-insurance allowance has not been sought for a particular risk in the current regulatory control period, it is being sought in the forthcoming regulatory control period.		Not applicable - all self-insurance allowances being sought in the forthcoming regulatory control period were also sought for the current period.
8.3	If AusNet is proposing self-insurance for asset failure risk in the revenue proposal:		
(a)	provide:		
(i)	the annual number of failures for each asset category for which self-insurance is being sought; and		The Aon self-insurance forecast report provides the required information.
(ii)	the historical costs for each asset failure; and		

(iii)	a description of what those costs relate to, including any split between capex and opex.		
(b)	explain:		
(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; and		Not applicable - the self-insurance allowance is based on actual historical asset failure rates and costs.
(ii)	how the proposed capex has been taken into account in calculating the probability of asset failure for each asset category for which self-insurance is being sought.		Because the self-insurance forecast is based on historic data no adjustment has been made to account for proposed capex.
8.4	Provide a report from an appropriately qualified actuary or risk specialist verifying the calculation of risk and corresponding self-insurance premiums.		The Aon self-insurance forecast report provides the required information.
9	**ECONOMIC BENCHMARKING**		
9.1	Complete the Economic Benchmarking regulatory templates (3.1 to 3.7) in accordance with:		Regulatory templates 3.1 to 3.7 have been completed in accordance with these requirements.
(a)	The instructions and definitions for variables within: Regulatory Information Notice issued under section Division 4 of Part 3 of the National Electricity (Victoria) Law' ("RIN") issued by the AER on 28 November 2013,		
(b)	and the instructions in paragraphs 9.2 to 9.10.		
(c)	If there is inconsistency between the instructions in paragraphs 9.2 to 9.10 and the Regulatory Information Notice issued under section Division 4 of Part 3 of the National Electricity (Victoria) Law' ("RIN") issued by the AER on 28 November 2013, AusNet must apply the instructions in paragraphs 9.2 to 9.9.		
9.2	The forecast revenue groupings in tables 3.1.1 and 3.1.2 may be developed by trending forward actual historical revenue groupings in previous regulatory years. However:		As above
(a)	Total revenues must equal total forecast revenues as proposed by AusNet in its revenue proposal.		
9.3	AusNet must report the km of route line length that does not have standard vehicle access against the "Standard vehicle access" variable (TEF0106).		As above
9.4	AusNet must report the route line length of its network 600 meters or more above sea level against the "Altitude" variable (TEF0107).		As above
9.5	The length of a span that shares multiple voltage levels is only to be counted once for the purposes of calculating the "Route line length" variable (TEF0201).		As above
9.6	The definition of a tree must be applied when completing the variable "Average number of trees per vegetation maintenance span" (TEF0103)		As above
9.7	For the "route line length variable" (TEF0201) where there are multiple circuits on a span, the length of each span is considered only once. Where a span shares multiple voltages, the length of the span is also to be considered only once.		As above
9.8	All forecast variables in the Economic Benchmarking regulatory templates must align with those in AusNet's revenue proposal. For the avoidance of doubt this includes forecast:		As above
(a)	opex and capex;		
(b)	Revenues;		
(c)	quality of services variables; and		
(d)	Quantities of physical assets		
9.9	RAB asset financial data in the Assets (RAB) regulatory template must reconcile to that in AusNet's PTRM and RFM (based on the AER's draft RFM published on 8 July 2015).		As above
10	**PROVISIONS**		
	[This section is intentionally blank.]		
11	**FORECAST PRICE CHANGES**		
11.1	Provide, in regulatory template 2.12, the labour and material price changes assumed by AusNet in estimating AusNet's forecast capex proposal and the forecast opex proposal. All price changes must be expressed in percentage year on year real		The request information is provided in the regulatory templates. Note that the information referred to is requested in regulatory template 2.14, not template 2.12.
11.2	Provide:		
(a)	the model(s) used to derive and apply the materials price changes, including model(s) developed by a third party;		For both capex and opex, materials price changes have been forecast to be equal to the general rate of inflation. No models were used to derive this forecast.
(b)	in relation to labour escalators, a copy of the current Enterprise Bargaining Agreement or equivalent agreement; and		AusNet Services' current EBAs are provided with the Regulatory Proposal.
(c)	evidence that the forecast price changes accurately explain the change in the price of goods and services purchased by AusNet, including evidence that any materials price forecasting method explains the price of materials previously purchased by AusNet.		AusNet Services' approach to forecasting materials (and other non-labour) price changes is discussed in Sections 4.4.7 and 5.7.3.
11.3	Provide also an explanation of :		
(a)	the methodology underlying the calculation of each price change, including:		
(i)	sources;		The CIE labour forecasting report provided with the Regulatory Proposal, and section 5.7.3, set out the methodology, assumptions, sources and data used to forecast labour prices.
(ii)	data conversions;		
(iii)	the operation of any model(s) provided under paragraph 11.2(a); and		

(iv)	the use of any assumptions such as lags or productivity gains;		
(b)	whether the same price changes have been used in developing both the Forecast capex Proposal and forecast opex proposal; and		The same price changes have been used to develop both the capex and opex forecasts.
(c)	if the response to paragraph 11.3(b) is negative, why it is appropriate for different expenditure escalators to apply.		Not applicable.
11.4	If an agreement provided in response to paragraph 11.2(b) is due to expire during the forthcoming regulatory control period, explain the progress and outcomes of any negotiations to date to review and replace the current agreement.		Not applicable - the current EBAs will expire prior to the commencement of the forthcoming regulatory control period.
12	**RELATED PARTY TRANSACTIONS**		
12.1	Identify and describe all other entities which:		This information is provided in Appendix 1B - Related Parties Arrangements. The relevant parts are: (a) Section 3 - SGSP (Australia) Assets Pty Ltd provides transmission services to AusNet Services; and (b) Section 2.1- the relevant parties are SPI and SGIAD
(a)	are a related party to AusNet and contribute to the provision of transmission services; or		
(b)	have the capacity to determine the outcome of decisions about AusNet's financial and operating policies.		
12.2	Provide a diagram of the organisational structure depicting the relationships between all the entities identified in the response to paragraph 12.1.		This information is provided in Appendix 1B - Related Parties Arrangements., Figure 2.1.
12.3	Identify:		This information is provided in Appendix 1B - Related Parties Arrangements, section 3.
(a)	all arrangements or contracts between AusNet and any of the other entities identified in the response to paragraph 12.1 which relate directly or indirectly to the provision of transmission services; and		
(b)	the service or services the subject of each arrangement or contract.		
12.4	For each service identified in the response to paragraph 12.1:		This information is provided in Appendix 1B - Related Parties Arrangements, section 3 and Attachments 1B to 3 of this documents.
(a)	provide:		
(i)	a description of the process used to procure the service; and		
(ii)	supporting documentation including, but not limited to, requests for tender, tender submissions, internal committee papers evaluating the tenders, contracts between AusNet and the relevant provider;		
(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 AusNet itself;		
(ii)	whether the services procured were provided under a standalone contract or provided as part of a broader operational agreement (or similar);		
(iii)	whether the services were procured on a genuinely competitive basis and if not, why; and		
(iv)	whether the service (or any component thereof) was further outsourced to another provider.		
13	**PROPOSED CONTINGENT PROJECTS**		
13.1	For each contingent project proposed in the revenue proposal, provide:		Information provided in section 4.8.11 of the Revenue Proposal and Appendix 4G - Contingent Projects.
(a)	a description of the proposed contingent project, including reasons why AusNet considers the project should be accepted as a contingent project for the forthcoming regulatory control period;		
(b)	the proposed contingent capital expenditure which AusNet considers is reasonably required for the purpose of undertaking the proposed contingent project;		
(c)	the methodology used for developing that forecast and the key assumptions that underlie it;		
(d)	information that demonstrates that the undertaking of the proposed contingent project is reasonably required to meet one or more of the objectives referred to in clause 6A.8.1(b)(1) of the NER;		
(e)	a demonstration that the proposed contingent capital expenditure for each proposed contingent project:		
(i)	is not included (either in part of in whole) in AusNet's proposed total forecast capital expenditure for the forthcoming regulatory control period;		
(ii)	reasonably reflects the capital expenditure criteria, taking into account the capital expenditure factors, in the context of the proposed contingent project; and		
(iii)	exceeds either $30 million or 5 per cent of AusNet's proposed maximum allowed revenue for the first year of the forthcoming regulatory control period, whichever is larger amount.		
(f)	the proposed trigger events relating to the proposed contingent project.		
13.2	For each proposed trigger event relating to the proposed contingent project referred to in 13.1(f), demonstrate:		Information provided in section 4.8.11 of the Revenue Proposal and Appendix 4G - Contingent Projects.
(a)	the proposed trigger event is reasonably specific and capable of objective verification		
(b)	the occurrence of the proposed trigger event makes the undertaking of the proposed contingent project reasonably necessary in order to achieve any of the capital expenditure objectives;		
(c)	the proposed trigger event generates increased costs or categories of costs that relate to a specific location rather than a condition or event that affects the transmission network as a whole;		
(d)	the proposed trigger event is described in such terms that the occurrence of that event or condition is all that is required for the transmission determination to be amended under clause 6A.8.2 of the NER;		

(e)	the proposed trigger event is a condition or event, the occurrence of which is probable during forthcoming regulatory control period, but the inclusion of capital expenditure in relation to the proposed trigger event under clause 6A.6.7 of the NER is not appropriate because:		
(i)	it is not sufficiently certain that the event or condition will occur during the forthcoming regulatory control period or if it may occur after that regulatory control period or not at all; or		
(ii)	the costs associated with the event or condition are not sufficiently certain.		
13.3	Provide a summary of AusNet's proposed contingent projects for the forthcoming regulatory control period including the proposed contingent capital expenditure and trigger events for each proposed contingent project in the regulatory template 6.2.		This information is provided in regulatory template 7.2. Note that this information is requested in template 7.2, not 6.2. There is no regulatory template 6.2 in the RIN templates.
14	**NON-NETWORK ALTERNATIVES**		
14.1	Identify the Policies and Strategies and Procedures provided in the response to regulatory template 6.1 which relate to the selection of efficient non-network solutions.		This information is provided in regulatory template 7.1
14.2	Explain the extent to which the provision for efficient non-network alternatives has been considered in the development of the forecast capex proposal and the forecast opex proposal.		Section 4.4.9 outlines that non-network alternatives have been considered in developing the capex forecast. The planning reports provided as supporting documents set out the assessment of non-network alternatives in more detail.
14.3	Identify each non-network Project that AusNet has:		There were no new non-network alternatives commenced during the current period.
(a)	commenced during the current regulatory control period; and		
(b)	selected to commence during, or will continue into, the forthcoming regulatory control period.		Section 4.4.9 notes that no non-network alternatives are forecast for the forthcoming period, but will continue to be considerd prior to committing to network solutions.
14.4	For each non-network Project identified in the response to paragraph 14.3, provide a description, including cost and location.		No projects identified.
15	**EFFICIENCY BENEFIT SHARING SCHEME**		
15.1	To calculate the carryover amounts that arise from applying the efficiency benefit sharing scheme during AusNet's current regulatory control period:		
(a)	provide the forecast and actual operating expenditure amounts in regulatory template 7.5;		This information is provided in regulatory template 7.5.
(b)	identify all changes to AusNet's capitalisation policy during the current regulatory control period.		Not applicable - there have been no changes to AusNet Services' capitalisation policy during the current regulatory control period.
15.2	For each change identified in the response to paragraph 15.1(b):		
(a)	state, if any, the financial impact of the change;		Not applicable - see above response.
(b)	state the reasons for the change;		
(c)	explain the effect of the change, if any, on the forecast operating expenditure for each year of AusNet's current regulatory control period; and		
(d)	explain the effect of the change, if any, on the actual operating expenditure for each year of AusNet's current regulatory control period.		
15.3	For the purposes of applying the efficiency benefit sharing scheme:		
(a)	identify all cost categories proposed to be excluded from the operation of the efficiency benefit sharing scheme;		This information is provided in regulatory template 7.5.
(b)	explain for each cost category identified in the response to paragraph 15.3(a) the reasons for the proposed exclusion.		Section 7.4.2 explains AusNet Services' proposed exclusions.
16	**SERVICE TARGET PERFORMANCE INCENTIVE SCHEME**		
16.1	For the service component of the scheme, provide:		
(a)	the values that AusNet proposes are to be attributed to the performance incentive scheme parameters for the purposes of the application to AusNet of the version 5 STPIS in the attached regulatory template 7.7;		This information is provided in regulatory template 7.7.
(b)	an explanation of how the proposed values to be attributed to those performance incentive scheme parameters comply with the requirements of the STPIS, version 5;		Section 7.3.2 explains how the proposed values comply with STPIS v5.
(c)	an explanation of the method used to calculate the proposed values to be attributed to those performance incentive scheme parameters and provide supporting calculations;		Section 7.3.2 and the supporting document entitled "Fitting probability distributions to STPIS data" set out the method used to calculate the proposed values.
(d)	performance data (including outage and exclusion data) used to calculated the proposed performance targets in Excel spreadsheet format;		The data used to calculate the proposed targets is contained in regulatory template 7.7 and the supporting document identified above.
(e)	an explanation that data provided in 16.1(d) are consistently recorded based on the parameter definitions that apply to AusNet under the service component of the SPTIS, version 5.		The required information is provided in Section 7.3.2 and the Basis of Preparation.
16.2	For the market impact component of the scheme, provide performance data in accordance with appendix C of Version 5 of the STPIS for the most recent six calendar years: 2009 to 2014.		
(a)	The data is to be submitted using the Market Impact Component excel workbook (MIC workbook) at Appendix G to this notice.		Monthly MIC data for calendar years 2009-14, reported in accordance with Version 5 of the STPIS, has been provided in regulatory template 7.7. As agreed with the AER
(b)	AusNet is to:		(correspondence with D. Johansson dated 27/10/15), detailed MIC data in a workbook form

(i)	make a copy of the MIC workbook for each relevant year and label each copy as provided for in the MIC workbook		(correspondence with D Johanssen dated 27/10/15), detailed MIC data in a workbook form will be provided in due course once a Version 5 workbook has been developed by the AER.
(ii)	complete each copy of the MIC workbook as provided for in the MIC workbook		
(iii)	submit to the AER completed copies of the MIC workbook with its response to this notice.		
16.3	For the network capability component of the scheme:		
(a)	provide a network capability incentive parameter action plan (NCIPAP) as required under clause 5.2(b) of Version 5 of the STPIS, which must include:		AusNet Services' NCIPAP has been provided with the Revenue Proposal.
(i)	for every transmission circuit or injection point on AusNet's network, an explanation of the reason for the limit for each transmission circuit or injection point.		This information has been provided in spreadsheet form with the Revenue Proposal.
(ii)	a description of the process that AusNet undertook to identify the limit for each transmission circuit or injection point.		This process is described in the NCIPAP.
(iii)	a list of proposed priority projects to be undertaken in the relevant regulatory control period to improve the limit of the transmission circuits and injection points identified in (i) in the attached Regulatory Template 7.7.		This information is provided in regulatory template 7.7.
(iv)	a list of project details for each proposed priority project using the sample format below:		

Transmission circuit / injection point	[name of
Project ranking	[the ranking of the priority
Scope of works	[short descri
Reasons to undertake the project	[short description of the limit and reasons for the limit] The reasons
Current value of the limit	[the current value
Priority project improvement target	[the target value
Completion date	[expected
Capital cost	[capital
Operating cost	[operating expen

Project details, including the details set out in the sample table, have been provided in the NCIPAP.

(b)	provide the following network limits information in Regulatory Template 7.7:		
(i)	Limit identification: If a thermal limit, identify injection point and/or transmission element (line, cable, transformer). If not a thermal limit, identify the cut set (transmission lines) over which the limit is defined and identify the type of limit; e.g. short term voltage, long term voltage, transient, oscillatory, etc.		
(ii)	Define limit: If a thermal limit, specify ratings. The ratings are those provided to AEMO for operational purposes. If not a thermal limit, provide the limit equation or upper limit on the cut set.		
(iii)	Reason for limit: If a thermal limit, provide an explanation of the reason for the limit, including:		
(A)	Identify whether the rating is caused by primary or secondary equipment		
(B)	Specify the equipment that is setting the rating		
(C)	For ratings other than continuous ratings of transmission lines and transformers, specify the time applicable for the given ratings (i.e. EMER and LDSH ratings)		
(D)	If the limiting element is the transmission line, provide details on the number of spans that would require uprating to increase the rating to the conductor design temperature		

	(E)	What assumptions were used in the calculation of the line ratings (e.g. ambient temperature, wind speed, wind direction)	
	(F)	Does the line have weather monitoring? If so, what is being measured? Are dynamic ratings applied operationally?	
	(iv)	If not a thermal limit, provide a description of the limiting phenomena; e.g. voltage collapse in area X for trip of element Y / generator Y	This information, where relevant to the proposed NCIPAP projects, has been provided in regulatory template 7.7 and the NCIPAP.
	(v)	To understand the asset configuration, thermal ratings and secondary plant limits, provide following supporting information:	
	(A)	Single line diagram of terminal stations and substations with major assets (e.g. switchgears, transformers, CT, VT)	
	(B)	Single line diagram of distribution substations connection	
	(C)	Plant data information of all major assets (e.g. current, MVA & voltage ratings, short circuit capability, transformer parameters)	
	(D)	Secondary plant information (e.g. CT and protection limits)	
	(E)	Other plant information (e.g. interplant connections, connecting element between line and station)	
	(F)	Circuit data information (e.g. conductor type, impedance parameters, ratings, route length, easements)	
	(G)	Details of ability to transfer load from one station to another station	
	(vi)	To understand the asset performance, provide supporting information:	
	(A)	Plant outage investigation report	
	(B)	Plant unplanned outage data (e.g. for each historical outage, date and time of outage, type of unplanned outage, duration of unavailability of plant of each of the outages)	
	(vii)	Is limit addressed by priority project: Indicate whether the limit is addressed by a priority project in the NCIPAP. Provide project name. If not, please provide an explanation of why this limit has not been addressed by a priority project.	
	(c)	State whether AusNet has consulted with the Australian Energy Market Operator (AEMO) regarding the NCIPAP.	AusNet Services has consulted with AEMO in developing its NCIPAP, and received agreement from AEMO with respect to the classification, materiality of project improvement target and ranking of all proposed projects. AEMO's letter of agreement is attached to the Revenue Proposal.
	(d)	State whether AEMO has disagreed with AusNet as to:	
	(i)	whether a project should be classified as a priority project;	
	(ii)	whether a priority project improvement target will result in a material improvement, or	
	(iii)	the ranking of the priority projects,	
		and, if so, identify each disagreement and the grounds for the disagreement.	
	(e)	Explain how AusNet has considered the impacts of the proposed priority projects on its proposed forecast capex and opex for the forthcoming regulatory control period.	AusNet Services has ensured that NCIPAP projects are not included in its forecast capex and opex for the forthcoming regulatory control period. This has been confirmed by AEMO in its letter of agreement, which is attached to the Revenue Proposal.
	(f)	State whether the costs of the proposed priority projects are included in the proposed forecast capex and opex for the forthcoming regulatory control period.	
	(g)	State whether the benefits and improved limit values for each proposed priority project are solely to be attributable to the priority project and not any other work which AusNet is undertaking on the transmission network.	The benefits and improved limit values for each proposed priority project are solely to be attributable to the priority project and not any other work which AusNet is undertaking on the transmission network.
17		**SHARED ASSETS**	
17.1		Provide AusNet's shared assets information in regulatory template 7.4.	Template 7.4 provides the required information.
18		**TOTAL REVENUE CAP AND MAXIMUM ALLOWED REVENUE**	
18.1		Provide AusNet's calculation of the:	Section 13.10 of the Revenue Proposal provides this information
	(a)	estimated total revenue cap for the forthcoming regulatory control period; and	
	(b)	maximum allowed revenue for each year of the forthcoming regulatory control period	
		using the AER's post-tax revenue model, which is to be submitted as part of AusNet's revenue proposal.	Section 13.2 of the Revenue Proposal states that the PTRM has been used.
18.2		Provide details of any departure from the AER's post-tax revenue model for the calculations referred in paragraph 18.1 and the reasons for that departure.	In AusNet Services' PTRM model the depreciation schedules are separated into two lots, comprising the straight-line depreciation schedules for the sunk RAB as at 1 Apr 2017 and the declining balance depreciation schedules for new investments (from 2017-18 onward). Refer to Chapter 9 - Depreciation of AusNet Services' proposal for further information including the reasons for this approach.
19		**INDICATIVE IMPACT ON ANNUAL ELECTRICITY BILLS**	
19.1		For the purposes of calculating the impact of AusNet's revenue proposal on the annual electricity bill of typical residential and business customers in Victoria, provide the data/information required in regulatory template 7.6. Provide the data source for each input used for the calculation.	Template 7.6 provides the required information. The data is sourced from AusNet Services' (distribution and transmission) pricing data and the AER's RINs.
20		**REGULATORY ASSET BASE**	

20.1	Provide AusNet's calculation of the regulatory asset base for the relevant transmission system for each regulatory year of current regulatory control period using the AER's draft roll forward model, which is to be submitted as part of the revenue proposal.		Section 8.2 provides a summary of these calculations. The completed roll forward model is provided with the Revenue Proposal.
20.2	Provide details of any departure from the underlying methods in the AER's draft roll forward model for the calculation referred to in paragraph 20.1 and the reasons for that departure.		There are two main areas where AusNet Services has departed from the underlying methods for the calculation of the regulatory asset base in the AER's draft RFM, as follows:- 1. AusNet Services uses its own schedules for depreciating the RAB which are prepared on a disaggregated straight-line basis. The standard depreciation schedules contained in the AER's draft RFM are therefore ignored and do not form part of AusNet Services' RAB roll forward calculations. Our approach ensures that the calculation of RAB depreciation is consistent with previous regulatory periods. 2. AusNet Services has a requirement to apply a true-up to a specific group of assets that form part of the final year asset adjustments in the previous regulatory control period. These assets (known as 'Group 3 assets') are constructed under prescribed network augmentation arrangements and roll-in to the RAB and Tax Asset Base (TAB) at their depreciated values at the end of the regulatory control period. AusNet Services has made its own modifications to the AER's draft RFM to accomodate these true-ups in the RAB (both on an as incurred and as commissioned basis). Refer amended AER's draft RFM to be submitted with Regulatory proposal.
20.3	If the value of the RAB as at the start of the forthcoming regulatory control period is proposed to be adjusted because of changes to asset service classification, provide details including relevant supporting information used to calculate that adjustment value.		No asset service classification changes are proposed by AusNet Services. The Opening RAB adjustments proposed by AusNet relate to the roll-in of Group 3 assets which are constructed under Prescribed Network Augmentation arrangements. These adjustments are contained in AusNet Services' amended AER's draft RFM.
21	**DEPRECIATION SCHEDULES**		
21.1	Provide AusNet's calculation of the depreciation amounts for the relevant transmission system for each regulatory year of:		
(a)	the current regulatory control period using the AER's draft roll forward model, which is to be submitted as part of the revenue proposal; and		AusNet Services' calculation of the depreciation amounts for the current regulatory control period are contained in AusNet's amended version of the AER's draft RFM, including AusNet's own depreciation schedules as mentioned above in 20.2
(b)	the forthcoming regulatory control period using the AER's post-tax revenue model, which is to be submitted as part of the revenue proposal.		AusNet Services' calculation of the depreciation amounts for the forthcoming regulatory control period are contained in AusNet's amended version of the AER's PTRM, including AusNet's own depreciation schedules.
21.2	Provide details of any departure from the underlying methods in the AER's draft roll forward model and post-tax revenue model for the calculations referred to in 21.1 and the reasons for that departure.		Within both the AER's draft RFM and PTRM model AusNet Services has incorporated its own depreciation schedules for the purposes of rolling forward the RAB. In AusNet Services' PTRM model the depreciation schedules are separated into two lots, comprising the straight-line depreciation schedules for the sunk RAB as at 1 Apr 2017 and the declining balance depreciation schedules for new investments (from 2017-18 onward). Chapter 9 provides further information, including the rationale for this approach.
21.3	Identify any changes to standard asset lives for existing asset classes from the previous determination. Explain the reason/s for the change and provide relevant supporting information.		Not applicable
21.4	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.		A new asset class 'Accelerated depr' has been created to cater for accelerated depreciation of a small group of existing transformer and reactive assets that are to be retired from service. The calculated remaining RAB values for these assets are proposed to be fully written down by the end of the forthcoming regulatory period. These values and the methodology used to derive them are provided as a supporting document to the Revenue Proposal.
21.5	If existing asset classes from the previous determination 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.		Not applicable
21.6	Describe the method used to calculate the remaining asset lives for existing asset classes as at 1 April 2017 (the start of the forthcoming regulatory control period) and provide supporting calculations, if the approach differs from that in the draft roll forward model.		AusNet Services' submitted versions of the RFM and PTRM will not include RAB remaining lives since this is not required to roll forward AusNet Services' RAB. The primary reason for this is AusNet Services uses its own depreciation schedules (as mentioned above).
22	**CORPORATE TAX ALLOWANCE**		

22.1	Provide AusNet's calculation of the estimated cost of corporate income tax for the forthcoming regulatory control period using the AER's post-tax revenue model, which is to be submitted as part of the revenue proposal.		AusNet Services' calculation of the estimated cost of corporate income tax for the forthcoming regulatory control period is contained in the PTRM
22.2	Provide a demonstration that the calculation referred to in 22.1 complies with clause 6A.6.4 of the NER.		See 'Analysis' sheet of the PTRM provided with the Revenue Proposal
22.3	Provide details of any departure from the AER's post-tax revenue model for the calculations referred to in 22.1 and the reasons for that departure.		None proposed
22.4	Identify any changes to standard tax asset lives for existing asset classes from the previous determination. Explain the reason/s for the change and provide relevant supporting information, including Federal tax laws governing depreciation for tax		None proposed
22.5	Describe the method used to calculate the remaining tax asset lives as at 1 April 2017 and provide supporting calculations, if the approach differs from that in the AER's draft roll forward model.		As part of the forecast final year asset adjustments in the current regulatory control period, AusNet Services rolls in the depreciated constructed values of prescribed network augmentation into both the RAB and TAB respectively. Since the AER has made no allowance for inputting remaining lives in its draft RFM in respect of these forecast final year adjustments, AusNet has made its own modifications to ensure that the correct tax asset remaining lives are produced (as at 31 March 2017) which becomes an input into AusNet's PTRM opening Tax asset base information. The modified calculations are contained in an amended version of the AER's draft RFM which will be submitted together with AusNet's PTRM
22.6	Provide AusNet's calculation of the tax asset base for the relevant transmission system for each regulatory year of the current regulatory control period using the AER's draft roll forward model, which is to be submitted as part of the revenue proposal.		AusNet Services' calculation of the tax asset base for each regulatory year of the current regulatory control period is contained in AusNet Services' amended AER's draft roll forward model
22.7	Provide details of any departure from the underlying methods in the AER's draft roll forward model for the calculation referred to in 22.6 and the reasons for that departure.		None proposed
22.8	Identify any differences in the capitalisation 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.		N/A - capitalisation is calculated consistently across both forms of accounts
22.9	Provide calculations to demonstrate if a tax loss carried forward exist as at 1 April 2017. The figures used in these calculations, such as the revenue and operating expenses, should be actuals (with the exception of the final year of the current regulatory control period that requires an estimate). Identify and provide reasons for any assumptions applied to determine the value of any tax loss carried forward.		N/A - no carried forward tax loss has been included in AusNet Services' PTRM
23	**OTHER INFORMATION**		
23.1	Provide a statement of whether AusNet's revenue proposal is consistent with the most recent NTNDP and, if it is inconsistent identify and give reasons for the inconsistency.		Section 4.2.1 explains that the NTNDP is not directly relevant for this revenue proposal, given that AusNet Services is not the network planner, so the revenue proposal does not include augmentation expenditure.
23.2	Provide an overview paper which includes:		This information is set out in AusNet Services' Revenue Proposal Overview Paper
(a)	a summary of the revenue proposal the purpose of which is to explain the revenue proposal in reasonably plain language		
(b)	a description of how AusNet has engaged with electricity consumers and has sought to address any relevant concerns identified as a result of that engagement;		
(c)	a description of the key risks and benefits of the revenue proposal for electricity consumers; and		
(d)	a comparison of AusNet's proposed total revenue cap with its total revenue cap for the current regulatory control period.		
23.3	Provide the commencement and length of the forthcoming regulatory control period proposed by AusNet.		Section 1.1 provides this information
24	**CORPORATE STRUCTURE**		
24.1	Provide charts that set out:		
(a)	the group corporate structure of which AusNet is a part; and		This is provided in Appendix 1B - Related Parties
(b)	the organisational structure of AusNet.		This is provided as a supporting document to AusNet Services' revenue proposal
25	**MAP OF TRANSMISSION SYSTEM**		
25.1	Provide a map of AusNet's transmission system at the time of submitting information in response to this notice. This map, together with any appropriate accompanying notes, should identify and describe the locations and voltages of existing transmission lines and other major network assets.		This is provided as a supporting document to AusNet Services' revenue proposal
25.2	Provide a separate document identifying the location of different ratings of the transmission lines and other major network assets.		This is provided as a supporting document to AusNet Services' revenue proposal
26	**AUDIT REPORTS**		
26.1	Provide a Regulatory Audit Report in the form of:		
(a)	a Special Purpose Financial Report in accordance with the requirements set out at Appendix C; and		This information is submitted as supporting documentation as part of the Revenue Proposal
(b)	a Review Report (for non-financial information) in accordance with the requirements set out at Appendix C.		
26.2	Provide all reports from the Auditor to AusNet's management regarding the audit review and/or auditors' opinions or assessment.		
27	**BOARD RESOLUTION**		
27.1	Provide an extract from the board minutes or a resolution agreed to at a AusNet board meeting that confirms, to the best of the Board's information, knowledge and belief, the information provided in the response to paragraph 1.1 (being the information to be provided in the regulatory templates attached at Appendix A) is:		This information is submitted as supporting documentation as part of the Revenue Proposal

(a)	for Actual Information, true and accurate; and		This information is submitted as supporting documentation as part of the Revenue Proposal
(b)	where AusNet cannot provide Actual Information, AusNet's best estimate in relation to historical information, or best forecast in relation to forecast information.		
28	**TRANSITIONAL ISSUES**		
28.1	Provide information on existing potential transitional issues (expressly identified in the NER or otherwise) which AusNet expects will have a material impact on it and should be considered by the AER in making its transmission determination. For each issue, set out the following information:		
(a)	the transitional issue;		There are no transitional issues that should be considered by the AER in making its determination.
(b)	what has caused the transitional issue;		
(c)	how the transitional issue impacts on AusNet; and		
(d)	how AusNet considers the transitional issue could be addressed.		
29	**CONFIDENTIAL INFORMATION**		
29.1	This clause applies to any information AusNet provides:		
(a)	in response to Schedule 1;		These provisions are for explanatory purposes only.
(b)	in a regulatory proposal, revenue proposal, proposed negotiating framework, proposed pricing methodology, access arrangement proposal or access arrangement for the forthcoming regulatory control period (a Proposal)		
(c)	in a revision or amendment to a Proposal; and		
(d)	in a submission AusNet makes regarding a Proposal or a revised or amended Proposal; (together, AusNet's Information).		
29.2	If AusNet wishes to make a claim for confidentiality over any AusNet's Information, provide the details of that claim in accordance with the requirements of the AER's Confidentiality guideline, as if it extended and applied to that claim for confidentiality.		Claims for confidentiality are provided in AusNet Services' Confidentiality Response Document
29.3	Provide any details of a claim for confidentiality in response to clause 29.2 at the same time as making the claim for confidentiality.		Details of AusNet Services' claims for confidentiality are provided in AusNet Services' Confidentiality Response Document
29.4	Confirm, in writing, that AusNet consents to the AER disclosing all other of AusNet's Information on the AER website.		The confirmation is provided in the cover letter to the Revenue Proposal.