

Checklist of requirements

Gas Access Arrangement Review - Schedule 1 of Final RIN dated 28 October 2016

Clause	Access Arrangement Proposal cross-reference
<p>1. GENERAL</p> <p>1.1 Provide the information required in each <i>regulatory template</i> in the Microsoft Excel workbook attached at Appendix A completed in accordance with this <i>Notice</i> and the instructions provided in the Principles and Requirements Appendix C.</p>	RIN Templates
<p>Basis on which information must be provided</p>	RIN Templates
<p>1.2 Provide all financial information on a calendar year basis and set out:</p> <p>(a) whether the information is <i>actual information, estimated information or forecast information</i>. For information in the nature of a forecast or estimate provide a statement of the basis of the forecast or estimate; and</p>	<p>Methodologies used are outlined in the reviewed Basis of Preparation. This is corroborated and supported in the completed Team Compliance Questionnaires.</p>
<p>(b) the units of measurement for parameters or values used to derive or infer values; and</p>	<p>RIN Templates</p> <p>Units as specified in the templates. This is corroborated and supported in the completed Team Compliance Questionnaires.</p>
<p>(c) whether the information is expressed in nominal, real or another basis and include the base year of information where relevant.</p>	<p>RIN Templates</p> <p>Basis as per the templates. This is corroborated and supported in the completed Team Compliance Questionnaires.</p>
<p>1.3 All financial information provided in the <i>regulatory templates</i> must be:</p> <p>(a) on a calendar year basis, unless otherwise specified;</p>	RIN Templates
<p>(b) actual financial information for the first three years of the <i>current access arrangement period</i>;</p>	<p>RIN Templates</p> <p>Preparation methodology for 2013-2015 as specified in the reviewed Basis of Preparation.</p>
<p>(c) estimate or forecast financial information for year four of the <i>current access arrangement period</i>, to be updated with <i>actual information</i> when that becomes available during the review;</p>	<p>RIN Templates</p> <p>To be completed in 2017.</p>
<p>(d) estimate or <i>forecast information</i> as appropriate for year five of the <i>current access arrangement period</i>;</p>	<p>RIN Templates</p> <p>Preparation methodology specified in the reviewed Basis of Preparation.</p>
<p>(e) forecast financial information for the <i>next access arrangement period</i>;</p>	<p>RIN Templates</p> <p>Preparation methodology specified in the reviewed Basis of Preparation.</p>
<p>(f) where required, actual financial information for the five years of the <i>previous access arrangement period</i>.</p>	<p>RIN Templates</p> <p>Preparation methodology specified in the reviewed Basis of Preparation.</p>

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1.4 All expenditure forecasts for the <i>next access arrangement period</i> provided to the <i>AER</i> in response to this RIN must be in real (end of the fifth year of the <i>current access arrangement period</i>) dollars and on a calendar year basis, unless specified otherwise.	RIN Templates
1.5 Provide any calculations used to convert real to nominal dollars or nominal to real dollars for the purposes of providing the information required under sections 1.3 and 1.4 above.	RIN Templates
1.6 Provide an explanation should capital and operating expenditure provided in the <i>regulatory templates</i> be materially different to information previously submitted to the <i>AER</i> such as via annually submitted RINs.	RIN Templates
1.7 In the relevant <i>regulatory template</i> , report any change and the materiality of that change where any method of allocation under section 1.6 changes over time.	RIN Templates
1.8 Where <i>historical information</i> provided in the <i>regulatory templates</i> has previously been reported to the <i>AER</i> :	RIN Templates
(a) this information must reconcile with the previously provided information; or	
(b) explain why the information does not reconcile with the previously provided information.	RIN Templates
1.9 For each change identified in the response to section 1.8:	RIN Templates
(a) explain the nature of and the reasons for the variation; and	
(b) quantify the effect of the variation on the <i>annual Regulatory Information Notice</i> for the relevant <i>regulatory year</i> .	RIN Templates
1.10 For each of the following items, identify each <i>material difference</i> between that reported in the <i>annual Regulatory Information Notices</i> and the amount approved for the <i>current access arrangement period</i> :	Historical revenue reported in RIN template 26 'Allocation of Total Revenue' reconciles with revenues contained in annual gas regulatory accounts.
(a) Total actual revenue and total forecast revenue;	
(b) Total <i>actual operating expenditure</i> and total forecast operating expenditure;	This is addressed in AAI Chapter 3
(c) Total <i>actual capital expenditure</i> and total <i>forecast capital expenditure</i> ; and	This is addressed in AAI Chapter 3
(d) Demand forecasts.	This is addressed in AAI Chapter 3
1.11 Explain the reasons that caused each <i>material difference</i> identified in the response to section 1.10 including:	This is addressed in AAI Chapter 3
(a) whether this is recurrent or a one off variation;	
(b) the factors which generally influenced the variation; and	This is addressed in AAI Chapter 3
(c) whether the variation is due to factors beyond <i>AusNet's</i> control.	This is addressed in AAI Chapter 3
1.12 Explain how the differences identified in response to section 1.10 and explanations in response to section 1.11 have been factored into generating expenditure forecasts for the <i>next access arrangement period</i> .	This is addressed in AAI Chapter 3, Chapter 6 and Chapter 7

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1.13 <i>Capital expenditure and operating expenditure</i> forecasts provided in the <i>regulatory templates</i> must be reconciled to the ex-ante capital and operating allowances in post-tax revenue model for the <i>next access arrangement period</i> .	The capex and opex forecasts in the RIN templates reconcile to the forecasts in the PTRM in all material respects.
1.14 To avoid doubt, where information is requested either in this written document, or in a <i>regulatory template</i> attached in Appendix A, but not in both, the information is required as instructed in either this written document or in the <i>regulatory template</i> .	Provided in Basis of Preparation document where required
1.15 Provide: (a) a table that references each response to a section in this Schedule 1, and where it is provided in or as part of the <i>access arrangement proposal</i> , and	This table provides the required information.
(b) a table or chart that references each document provided in or as part of the <i>access arrangement proposal</i> and its relationship to other documents provided.	Document Matrix
1.16 Each document provided in or as part of the <i>access arrangement proposal</i> must be given a meaningful filename in the format: [Service Provider]–[Attachment/Appendix Number (if applicable)]–[Author (if different to service provider)]–[Title]–[Date]–[Public/Confidential], where: (a) ‘Service Provider’ is AusNet	Appendices
(b) ‘Attachment/Appendix Number’ is to be provided for numbered attachments, appendices etc. to the access arrangement proposal	Appendices
(c) ‘Author’ is the author of the document if the document was not produced by the service provider (e.g. a consultant or other third party)	Appendices
(d) ‘Title’ provides a meaningful description of the document and to the extent possible does not rely on acronyms or purely numeric identifiers. Wherever possible, reports prepared by consultants or other third parties should take the full title given by the author.	Appendices
(e) ‘Date’ is the date on which the document was finalised (which may be different to the date of submission to the AER), and is provided in the form ‘YYYYMMDD’ (e.g. 1 January 2017 would appear as 20170101).	Appendices
1.17 ‘Confidential’ means a document in respect of which a confidentiality claim has been made in accordance with section 21 of this Schedule. ‘Public’ means a document for which no such claim has been made (see section 21.3).	Refer Confidentiality response document

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<p>2. <u>SERVICE PROVIDER DETAILS AND BUSINESS CONTEXT</u> Local agent of a service provider 2.1 Provide all details of any local agent(s) of <i>AusNet</i>.</p>	<p>Provided in AAI Chapter 2</p>
<p>3. <u>BACKGROUND TO THE PIPELINE</u></p>	
<p><i>Pipeline and pipeline services</i> 3.1 For the <i>current access arrangement period</i> for each <i>pipeline service</i> provided by the way of <i>AusNet</i>'s Victorian gas distribution system that is not specified as a <i>reference service</i> in <i>AusNet</i>'s <i>access arrangement proposal</i>, provide: (a) the annual volume of demand in GJ ; and (b) numbers of <i>users</i>.</p>	<p>This is addressed in AAI Chapter 3</p>
<p>(b) numbers of <i>users</i>.</p>	<p>This is addressed in AAI Chapter 3</p>
<p>4. <u>DEMAND</u></p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>4.1 Provide: (a) an explanation of any trends in demand and volumes over the <i>current access arrangement period</i> and the <i>next access arrangement period</i>;</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(b) details of the key drivers behind the demand forecasts provided in response to <i>regulatory templates 27, 28 and 29</i>;</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(c) any methodology and models that have been used to develop the demand forecasts;</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(d) any data sets used as inputs into the models;</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(e) any key inputs and assumptions that have been used in the models (including in relation to economic growth, <i>customer</i> numbers and policy changes) and provide any associated models or data relevant to justifying these inputs and assumptions and how demand for <i>pipeline services</i> is differentiated;</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(f) an explanation of any weather normalisation models, how weather data has been used, and how <i>AusNet</i>'s approach to weather normalisation has changed over time;</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(g) an explanation of any appliance models, where used, or assumptions relating to average <i>customer</i> energy usage (by <i>customer</i> type);</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(h) how the forecasting methodology used is consistent with, and takes into account, historical observations (where appropriate), including any calibration processes undertaken within the model (specifically whether the load forecast is matched against actual historical load); and</p>	<p>This is addressed in AAI Chapter 4 and associated appendices</p>
<p>(i) an explanation of how the demand forecasts have been used to develop <i>AusNet</i>'s <i>capital expenditure</i> and <i>operating expenditure</i> forecasts.</p>	<p>The capex forecast includes new connections and augmentation capex that reflect the customer number and gas throughput forecasts. The opex forecast includes output growth opex that reflect the customer number and gas throughput forecasts.</p>

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<p>4.2 Provide:</p> <p>(a) evidence that any independent verifier engaged has examined the reasonableness of the method, processes and assumptions in determining the forecasts and has the requisite expertise to undertake a verification of forecasts; and</p> <p>(b) all documentation, analysis and models evidencing the results of the independent verification.</p>	<p>While the forecasts were developed by an independent expert, no independent verification was conducted in respect of these forecasts.</p>
<p>5. <u>FORECAST PRICE CHANGES</u></p> <p>5.1 Identify the labour and material price changes proposed in the estimation of the <i>forecast capital expenditure</i> proposal and the <i>forecast operating expenditure</i> proposal.</p>	<p>This is addressed in AAI Chapter 6 and Chapter 7 and associated appendices and models.</p>
<p>5.2 Provide:</p> <p>(a) the model(s) used to derive and apply all price changes assumed in the estimation of the <i>forecast capital expenditure</i> proposal and the <i>forecast operating expenditure</i> proposal, including any proprietary model(s) provided by a third party;</p>	<p>This is addressed in AAI Chapter 6 and Chapter 7 and associated appendices and models.</p>
<p>(b) in relation to labour escalators, a copy of the current <i>Enterprise Agreement</i> or equivalent agreement; and</p>	<p>The current EA has been provided as a supporting appendix.</p>
<p>(c) evidence that the price measures explain those cost changes which are attributed to price changes, including evidence of any materials price forecast method which explains the historic change in the price of materials purchased by network service providers.</p>	<p>This is addressed in AAI Chapter 7 and associated appendices and models.</p>
<p>5.3 Explain:</p> <p>(a) the methodology underlying the calculation of each price change, including sources, data conversions, the operation of any models provided under section 5.2(a) and the use of any assumptions, such as lags or productivity gains;</p>	<p>This is addressed in AAI Chapter 7 and associated appendices and models.</p>
<p>(b) whether the same price changes have been used in developing both the <i>forecast capital expenditure</i> proposal and <i>forecast operating expenditure</i> proposal;</p>	<p>This is addressed in AAI Chapter 6 and Chapter 7 and associated appendices</p>
<p>(c) if the response to section 5.3(b) is no, why it is appropriate for different expenditure escalators to apply.</p>	<p>This is addressed in AAI Chapter 6 and Chapter 7 and associated appendices</p>
<p>5.4 If an agreement provided in response to section 5.2(b) is due to expire during the <i>next access arrangement period</i>, explain the progress and outcomes of any negotiations to date to review and replace the current agreement.</p>	<p>No negotiations have taken place to date as the current agreement does not expire until 1 September 2017 and stipulates that negotiations will commence within six months of this date.</p>

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<p>6. CAPITAL EXPENDITURE</p> <p>Note: The information required to be provided, prepared, kept or maintained in this part of the <i>Notice</i> relates to all <i>pipeline services</i>, including both <i>reference services</i> and <i>pipeline services</i> other than <i>reference services</i>.</p> <p><i>AusNet's capex model submitted as part of AusNet's access arrangement information</i></p> <p>6.1 <i>Regulatory templates</i> 4 to 14 provide instructions that where the information requested is duplicated in <i>AusNet's capex model</i> submitted as part of <i>AusNet's access arrangement information</i>, that <i>AusNet</i> is not required to populate the RIN templates collecting the same information. This provision is subject to the following requirements:</p> <p>(a) The annual gross and net total expenditure amounts at a category and subcategory level in the <i>AusNet capex model</i> must equal the RIN template amounts.</p> <p>(b) The expenditure amounts are captured within the same category and subcategory of capex in the <i>AusNet capex model</i> and the RIN templates.</p> <p>(c) The escalation, related party margin and overhead amounts are identically applied at a category/subcategory and project level in the <i>AusNet capex model</i> and the RIN templates. The escalation in the <i>AusNet capex model</i> must be linked at a subcategory or project level and be able to be adjusted, such that the expenditure including escalation adjusts for changes made to the applied escalation.</p> <p>(d) The capex model must set out for each year of the last five year period actual expenditure, volume and unit rate data by category and subcategory.</p>	<p>N/A: Templates 4 to 14 have been completed.</p>
<p><i>Capital expenditure in the previous access arrangement period</i></p> <p>6.2 Provide <i>capital expenditure</i> at a <i>project</i> level and at a capex subcategory level in <i>regulatory templates</i> 4 to 14. Where data is either not available to <i>AusNet</i> or it is not practical to produce the data:</p> <p>(a) explain why; and</p> <p>(b) provide data at the most disaggregated level available to it.</p>	<p>Information at a project level has been provided in templates 4 to 14.</p>
<p><i>Capital expenditure in the current access arrangement period</i></p> <p>6.3 Explain:</p> <p>(a) in terms of the nature of the work undertaken (<i>scope</i>, scale or other deviation from proposed works), the volume and the cost (deviation in unit rates), any <i>material difference</i> for each <i>capex category</i> between:</p> <p>(i) the <i>capital expenditure</i> approved by the <i>AER</i> and the actual and/or estimated <i>capital expenditure</i> for the <i>current access arrangement period</i>; and</p> <p>(ii) the <i>capital expenditure</i> proposed by <i>AusNet</i> in the <i>previous access arrangement proposal</i> and the actual and/or estimated <i>capital expenditure</i> for the <i>current access arrangement period</i>; and</p>	<p>This is addressed in AAI Chapter 6 and associated appendices and models.</p> <p>This is addressed in AAI Chapter 6 and associated appendices and models.</p>

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(b) whether and how <i>AusNet</i> considers that <i>conforming capital expenditure</i> added to the <i>capital base</i> in the <i>current access arrangement period</i> meets the requirements of Rule 79 of the NGR.	The prudence and efficiency of current period capex and, therefore, compliance with Rule 79, is demonstrated in AAI Chapter 3
<p><i>Speculative capital expenditure account, reused redundant assets, redundant assets and disposals in the current access arrangement period</i></p> <p>6.4 Provide an explanation for whether and how <i>AusNet</i> considers the requirements of section Rule 79 of the NGR are met for any amounts added to or deducted from the opening <i>capital base</i>:</p> <p>(a) from the <i>speculative capital expenditure account</i>;</p>	No amounts have been added to or deducted from the opening capital base from the speculative capital expenditure account.
(b) for the reuse of <i>redundant assets</i> ;	No amounts have been added to or deducted from the opening capital base for the reuse of redundant assets.
(c) for <i>redundant assets</i> ; and	No amounts have been added to or deducted from the opening capital base for redundant assets.
(d) for disposals.	Disposals in the current period deducted from the capital base meet the requirements of Rule 79.
<p><i>Forecast conforming capital expenditure in the next access arrangement period</i></p> <p>6.5 For each <i>capex category</i> and expenditures comprising the categories identified in the <i>regulatory templates</i> 4 to 14, provide an overall description including:</p> <p>(a) a definition and explanation of any materiality threshold test that <i>AusNet</i> intends to apply to categorise forecast <i>conforming capital expenditure projects</i>;</p>	No materiality test has been applied.
(b) the nature of forecast <i>conforming capital expenditure projects</i> or <i>programs</i> material to each <i>capex category</i> , including a brief description of the <i>capital expenditure</i> and, where relevant, the location of the expenditure on the <i>distribution pipeline</i> ;	This is addressed in AAI Chapter 6 and associated appendices and models.
(c) key drivers of the proposed expenditure;	This is addressed in AAI Chapter 6 and associated appendices and models.
(d) an explanation of how expenditure is distinguished between:	This is addressed in AAI Chapter 6 and associated appendices and models.
(i) <i>new customer connections capital expenditure</i> and <i>augmentation capital expenditure</i> ;	This is addressed in AAI Chapter 6 and associated appendices and models.
(ii) <i>augmentation capital expenditure</i> , driven by demand, and <i>mains replacement capital expenditure</i> , <i>other distribution system capital expenditure</i> , driven by asset condition and other drivers; and	This is addressed in AAI Chapter 6 and associated appendices and models.
(iii) any other <i>capex category</i> or <i>opex category</i> where <i>AusNet</i> considers that there is reasonable scope for ambiguity in categorisation.	This is addressed in AAI Chapter 6 and associated appendices and models.
(e) details as to whether the forecast <i>conforming capital expenditure</i> is to be funded by parties other than <i>AusNet</i> ;	N/A

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(f) details of contractual agreements with parties where capital contributions are made by <i>users</i> to new <i>capital expenditure</i> (see Rule 82);	N/A
6.6 For forecast <i>conforming capital expenditure</i> , in total and in terms of each <i>capex category</i> , explain: (a) how it reasonably reflects the <i>new capital expenditure criteria</i> set out in Rule 79(1) of the NGR, and how <i>AusNet</i> has interpreted these criteria;	This is addressed in AAI Chapter 6 and associated appendices.
(b) how the forecast <i>conforming capital expenditure</i> is justified under Rule 79(2) of the NGR and how <i>AusNet</i> has interpreted these subrules; and	This is addressed in AAI Chapter 6 and associated appendices.
(c) how any plans, policies, <i>procedures</i> , <i>regulatory obligations or requirements</i> , consultants' reports, <i>economic analysis</i> and assumptions have been used to justify the forecast <i>conforming capital expenditure</i> .	This is addressed in AAI Chapter 6 and associated appendices.
6.7 If Rule 79(2)(a) is relied on to justify the forecast <i>conforming capital expenditure</i> , provide: (a) the calculations of the economic value of the <i>capital expenditure</i> that directly accrues to the <i>service provider</i> , gas producers, <i>users</i> and <i>end users</i> ; and (b) an explanation of the nature and quantification of the economic value that directly accrues to the <i>service provider</i> , gas producer, <i>users</i> and <i>end users</i> (see Rule 79(3)).	N/A: Rule 79(2)(a) has not been relied on to justify conforming capital expenditure.
6.8 If Rule 79(2)(b) is relied on to justify forecast <i>conforming capital expenditure</i> , provide: (a) the information <i>AusNet</i> relied on to determine the expected incremental revenue to be generated as a result of the forecast <i>conforming capital expenditure</i> ; (b) a description of the incremental service or services (see Rule 79(4)(a)); (c) the incremental revenue (see Rule 79(4)(b)); (d) the incremental expenditure (see Rule 79(4)(b)); and (e) the discount rates that <i>AusNet</i> used to determine the present value of the incremental revenue.	This is addressed in AAI Chapter 6 and associated appendices.
6.9 If Rule 79(2)(c)(i), (ii) or (iii) is relied on to justify the forecast <i>conforming capital expenditure</i> , provide: (a) an explanation of which item in Rule 79(2)(c)(i), (ii) or (iii) is relied on; (b) the relevant <i>regulatory obligation or requirement</i> (if any) and the relevant authority or body enforcing it; (c) an explanation of whether and how <i>AusNet</i> considers that the forecast <i>conforming capital expenditure</i> satisfies the item in Rule 79(2)(c)(i), (ii) or (iii) being relied on; and	This is addressed in AAI Chapter 6 and associated appendices.

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(d) any supporting technical or other external or internal reports about whether and how <i>AusNet</i> considers that the forecast <i>conforming capital expenditure</i> addresses the relevant item in Rule 79(2)(c)(i), (ii) or (iii).	
6.10 If Rule 79(2)(c)(iv) is relied on to justify forecast <i>conforming capital expenditure</i> , provide: (a) an explanation of the change in demand for existing services necessitating the forecast <i>conforming capital expenditure</i> , including a measure of the change in demand; and	This is addressed in AAI Chapter 6 and associated appendices.
(b) any reports or other information and documentation that supports whether and how <i>AusNet</i> considers that the <i>forecast capital expenditure</i> will meet the increase in demand for existing services.	This is addressed in AAI Chapter 6 and associated appendices.
6.11 Explain how each response provided to section 6.5 is reflected in any increase or decrease in expenditures or volumes, particularly between the <i>current access arrangement period</i> and <i>next access arrangement period</i> , provided in <i>regulatory templates</i> 4 to 14.	This is addressed in AAI Chapter 6 and associated appendices.
6.12 For the following <i>capex categories</i> : <i>augmentation, mains replacement, telemetry, regulators, IT, other distribution system, other non-distribution system</i> provide a <i>project list</i> which details for each <i>project</i> in the <i>capex category</i> : (a) an <i>internal identification code</i> , which will enable <i>AusNet</i> to report <i>actual capital expenditure</i> against <i>forecast capital expenditure</i> ; (b) the <i>project name</i> used internally by <i>AusNet</i> ; (c) the cost and timing of the <i>project capital expenditure</i> ; and (d) a brief description of the <i>project</i> and its <i>scope</i> .	Addressed in supporting appendices and RIN templates.
Capital expenditure forecast method	
6.13 Describe how the <i>forecast conforming capital expenditure</i> was prepared, including: (a) the forecasting methodologies used;	This is addressed in AAI Chapter 6 and associated appendices.
(b) how its preparation differed or related to budgetary, planning and governance processes used in the normal running of <i>AusNet's</i> business;	This is addressed in AAI Chapter 6 and associated appendices.
(c) processes for ensuring amounts are free of error and other steps in quality assurance; and	Internal due diligence processes were conducted in respect of the capex model.
(d) if and how <i>AusNet</i> considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers.	This is addressed in AAI Chapter 6 and associated appendices.
6.14 In relation to any source material (including models, documentation or any other items containing quantitative data) used by <i>AusNet</i> to develop its <i>forecast conforming capital expenditure</i> , provide: (a) a copy of this source material;	This is addressed in AAI Chapter 6 and associated appendices and model.

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<p>(b) all calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the <i>regulatory templates</i>.</p>	<p>Addressed in capex model and RIN templates.</p>
<p>6.15 Identify which particular items of <i>AusNet's forecast conforming capital expenditure</i> have:</p> <ul style="list-style-type: none"> (a) been derived directly from competitive tender processes; (b) been based upon competitive tender processes for similar <i>projects</i>; (c) been based upon estimates obtained from contractors or manufacturers; (d) been based upon independent benchmarks; (e) been based upon actual historical costs for similar <i>projects</i>; and (f) reflected any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable. 	<p>This is addressed in AAI Chapter 6 and associated appendices.</p>
<p>6.16 Provide any relevant internal decision making <i>documents</i> relating to approval of the forecast <i>conforming capital expenditure</i> and any other internal or external documentation or models that justify the forecast <i>conforming capital expenditure</i>, including but not limited to:</p> <ul style="list-style-type: none"> (a) business cases; (b) feasibility studies; (c) forecast demand studies and internal reports; and (d) the date of any relevant internal decision making body/management decisions and board decisions. 	<p>This is addressed in AAI Chapter 6 and associated appendices.</p>
<p>6.17 Provide all <i>documents</i> which were taken into account and relate to the <i>deliverability</i> of <i>forecast conforming capital expenditure</i> and explain the proposed <i>deliverability</i>.</p>	<p>This is addressed in AAI Chapter 6 and associated appendices and document matrix.</p>
<p><i>Capital expenditure that is not conforming in the next access arrangement period</i></p> <p>6.18 Provide:</p> <ul style="list-style-type: none"> (a) a justification for the different rate of return, if the balance of the <i>speculative capital expenditure account</i> increases at a rate different to the rate of return implicit in a <i>reference tariff</i> (see Rule 84(2)); (b) in <i>regulatory template 2</i>, (where relevant) the escalation rates used in deriving forecasts for <i>capital expenditure</i> other than <i>conforming capital expenditure</i>, if different from escalation rates provided in section 6.4(b) of this <i>Notice</i>; and (c) details of the mechanism to prevent <i>AusNet</i> from benefiting, through increased revenue, from the capital contributions by a <i>user</i> in the <i>next access arrangement period</i> (see Rule 82(3)). 	<p>N/A</p>

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<p>Capital redundancy policy in the next access arrangement period</p> <p>6.19 If relevant, provide:</p> <p>(a) an explanation of the proposed mechanism to remove redundant assets from the <i>capital base</i> including:</p> <p>(i) when the mechanism will take effect; and</p> <p>(ii) whether the mechanism includes a proposal for cost sharing between the <i>service provider</i> and <i>users</i> associated with a decline in demand for <i>pipeline services</i>;</p> <p>(b) a justification for the mechanism;</p> <p>(c) an explanation of what uncertainty the mechanism may cause; and</p> <p>(d) the effect of this uncertainty on <i>AusNet</i>.</p>	N/A
<p>7. OPERATING EXPENDITURE</p> <p><i>Operating expenditure in the current access arrangement period</i></p> <p>7.1 Provide <i>related party</i> details and an explanation of any non-recurring expenditures in the <i>current access arrangement period</i>.</p>	Provided in AAI Chapter 7 and associated appendices including Related Parties Appendix
<p>Forecast operating expenditure in the next access arrangement period</p> <p>7.2 For forecast total <i>operating expenditure</i> provide:</p> <p>(a) a description and explanation of the major drivers for the increase/decrease in expenditure by <i>opex categories</i> between the <i>current access arrangement period</i> and the <i>next access arrangement period</i>;</p>	Provided in AAI Chapter 7, Chapter 3 and associated appendices
<p>(b) whether there are changes to the operations of the <i>pipeline</i> from the <i>current access arrangement period</i> that have resulted in material changes to <i>opex categories</i> and total <i>operating expenditure</i> in the <i>next access arrangement period</i>, including a definition of the materiality threshold used by <i>AusNet</i> to identify such changes;</p>	Provided in AAI Chapter 7, Chapter 3 and associated appendices
<p>(c) the models or methodology used to develop the forecast total <i>operating expenditure</i>;</p>	Provided in AAI Chapter 7 and associated appendices
<p>(d) a description of how the forecast was prepared, including:</p> <p>(i) how forecast <i>operating expenditure</i> reasonably reflects the criteria set out in Rule 91(1) of the NGR;</p>	Provided in AAI Chapter 7 and associated appendices
<p>(ii) if a revealed cost <i>base year</i> approach was used to forecast total <i>operating expenditure</i>;</p> <p>(1) what the <i>base year</i> is; and</p>	Provided in AAI Chapter 7 and associated appendices
<p>(2) why that <i>base year</i> represents efficient, recurrent costs;</p>	Provided in AAI Chapter 7 and associated appendices
<p>(iii) if a revealed cost <i>base year</i> approach was not used to forecast total <i>operating expenditure</i>;</p> <p>(1) whether there was a year of historic <i>operating expenditure</i> available that represents efficient, recurrent costs; and</p>	Provided in AAI Chapter 7 and associated appendices
<p>(2) if not, why no year of historic <i>operating expenditure</i> represents efficient, recurrent costs.</p>	Provided in AAI Chapter 7 and associated appendices

Clause	Access Arrangement Proposal cross-reference
(iv) any non-recurrent or one-off costs in the <i>base year</i> and each year of the <i>next access arrangement period</i> .	Provided in AAI Chapter 7 and associated appendices
Output growth drivers	Provided in AAI Chapter 7 and associated appendices
7.3 Provide:	
(a) all output growth drivers included in the forecast;	
(b) any economies of scale factors applied to the growth drivers;	Provided in AAI Chapter 7 and associated appendices
(c) evidence that the growth drivers explain cost changes due to output growth;	Provided in AAI Chapter 7 and associated appendices
(d) any weightings applied if multiple output growth drivers have been used.	Provided in AAI Chapter 7 and associated appendices
7.4 Explain:	Provided in AAI Chapter 7 and associated appendices
(a) how the growth drivers have been applied in the <i>operating expenditure</i> forecast;	
(b) how the forecast method accounts for economies of scale.	Provided in AAI Chapter 7 and associated appendices
Real price growth	Provided in AAI Chapter 7 and associated appendices
7.5 Explain:	
(a) how the real price measures have been applied in the <i>operating expenditure</i> forecast;	
(b) whether the labour price measure compensates for any form of labour productivity change.	Provided in AAI Chapter 7 and associated appendices
Productivity change	Provided in AAI Chapter 7 and associated appendices
7.6 Explain:	
(a) how the forecast changes in productivity have been applied in the <i>operating expenditure</i> forecast;	
(b) whether the forecast productivity changes capture the historic trend of cost increases due to new <i>regulatory obligations or requirements</i> and changes to industry best practice;	Provided in AAI Chapter 7 and associated appendices
(c) whether the productivity measure used to forecast <i>operating expenditure</i> includes productivity change compensated for by the labour price measure used to forecast the change in the price of labour.	Provided in AAI Chapter 7 and associated appendices
Category specific forecasts	Provided in AAI Chapter 7 and associated appendices
7.7 For all <i>category specific forecasts</i> in forecast <i>operating expenditure</i> provide:	
(a) a description of the <i>category specific forecast</i>	
(b) the process undertaken to identify and quantify the category specific forecast,	Provided in AAI Chapter 7 and associated appendices
(c) why the efficient costs of the <i>category specific forecast</i> is not provided by other aspects of the <i>operating expenditure</i> forecast including, for example, base <i>operating expenditure</i> , output growth, real price growth or forecast productivity change; and	Provided in AAI Chapter 7 and associated appendices

Clause	Access Arrangement Proposal cross-reference
(d) why the <i>category specific forecast</i> is required to contribute to a total forecast <i>operating expenditure</i> that reasonably reflects the criteria set out in Rule 91(1) of the NGR.	Provided in AAI Chapter 7 and associated appendices
<p>Step changes</p> <p>7.8 For all <i>step changes</i> in forecast <i>operating expenditure</i> (including due to changes in policies, strategies and obligations) provide:</p> <p>(a) a description of the <i>step change</i> including when the change occurred, what its driver is, and how the driver has changed (e.g. the change in a <i>regulatory obligation</i>);</p>	Provided in AAI Chapter 7 and associated appendices
(b) demonstration, including all supporting justifications, for when and how the <i>step change</i> affected or is expected to affect expenditures (historic and forecast), with respect to:	Provided in AAI Chapter 7 and associated appendices
(i) any of the <i>opex categories</i>	Provided in AAI Chapter 7 and associated appendices
(ii) total <i>operating expenditure</i>	Provided in AAI Chapter 7 and associated appendices
(c) If the <i>step change</i> was due to a change in a <i>regulatory obligation or requirement</i> :	Provided in AAI Chapter 7 and associated appendices
(i) any variations or exemptions granted during the <i>previous access arrangement period</i> or the <i>current access arrangement period</i> ;	Provided in AAI Chapter 7 and associated appendices
(ii) any compliance audits conducted during the <i>previous access arrangement period</i> or the <i>current access arrangement period</i> ;	Provided in AAI Chapter 7 and associated appendices
(iii) whether or not a 'do nothing' option was considered and how the risks of this option were assessed and compared with other options;	Provided in AAI Chapter 7 and associated appendices
(iv) with reference to specific sections of the relevant legislative instrument, versions of both the previous and new <i>regulatory obligations or requirements</i> driving the <i>step change</i> ;	Provided in AAI Chapter 7 and associated appendices
(d) the process undertaken to identify and quantify the <i>step change</i> ,	Provided in AAI Chapter 7 and associated appendices
(e) whether the <i>step change</i> is recurrent in nature;	Provided in AAI Chapter 7 and associated appendices
(f) any cost benefit analysis that was undertaken in determining the efficient costs in addressing the <i>step change</i> .	Provided in AAI Chapter 7 and associated appendices
(g) anything else <i>AusNet</i> considers relevant in considering the nature and materiality of the <i>step change</i> in relation to forecast <i>operating expenditure</i> .	Provided in AAI Chapter 7 and associated appendices
7.9 Explain:	Provided in AAI Chapter 7 and associated appendices
(a) why the efficient costs of the <i>step change</i> are not provided by other aspects of the <i>operating expenditure</i> forecast including, for example, base <i>operating expenditure</i> , output growth, real price growth or forecast productivity change; and	Provided in AAI Chapter 7 and associated appendices

Clause	Access Arrangement Proposal cross-reference
(b) why the <i>step change</i> is required to contribute to a total forecast <i>operating expenditure</i> that reasonably reflects the criteria set out in Rule 91(1) of the NGR.	Provided in AAI Chapter 7 and associated appendices
8. <u>INTERACTIONS BETWEEN CAPITAL AND OPERATING EXPENDITURE</u> 8.1 Identify any material interactions in <i>AusNet's</i> forecast <i>conforming capital expenditure</i> and forecast <i>operating expenditure</i> .	Provided in AAI Chapter 6 and associated appendices
8.2 Explain how these interactions have been taken into account when developing forecasts of <i>capital expenditure</i> and <i>operating expenditure</i> , and otherwise in providing responses to items under sections 6 and 7.	Provided in AAI Chapter 6 and associated appendices
9. <u>RELATED PARTY TRANSACTIONS</u> 9.1 Identify and describe all other entities which:	Outlined in the RIN template.
(a) are a <i>related party</i> to <i>AusNet</i> and contribute to the provision of distribution services; or (b) have the capacity to determine the outcome of decisions about the <i>AusNet's</i> financial and operating policies. The minimum threshold for these entities are for transactions greater than \$1,000,000 in a regulatory year.	Outlined in the RIN template.
9.2 Provide a diagram of the organisational structure depicting the relationships between all the entities identified in the response to section 9.1.	Provided in Related Parties appendix and supporting documentation
9.3 Identify:	Provided in Related Parties appendix and supporting documentation
(a) all arrangements or contracts between <i>AusNet</i> and any of the other entities identified in the response to section 9.1 which relate directly or indirectly to the provision of distribution services;	Provided in Related Parties appendix and supporting documentation
(b) the service or services the subject of each arrangement or contract.	Provided in Related Parties appendix and supporting documentation
9.4 For each service identified in the response to section 9.3:	Provided in Related Parties appendix and supporting documentation
(a) provide:	Provided in Related Parties appendix and supporting documentation
(i) a description of the process used to procure the service; and	Provided in Related Parties appendix and supporting documentation
(ii) supporting documentation, including but not limited to requests for tender, tender submissions, internal committee papers evaluating the tenders, contracts between <i>AusNet</i> and the relevant provider;	Provided in Related Parties appendix and supporting documentation
(b) explain:	Provided in Related Parties appendix and supporting documentation
(i) why that service is the subject of an arrangement or contract (i.e. why it is outsourced) instead of being undertaken by <i>AusNet</i> itself;	
(ii) whether the services procured were provided under a stand alone 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.	

Clause	Access Arrangement Proposal cross-reference
9.5 For each arrangement or contract identified in the response to section 9.3 provide: (a) a copy of the arrangement or contract which sets out the obligations of both the other entity and <i>AusNet</i> ;	Provided in Related Parties appendix and supporting documentation
(b) a breakdown of all services provided as part of that arrangement or contract;	Provided in Related Parties appendix and supporting documentation
(c) a breakdown of costs for each service provided as part of the arrangement or contract, including separately identifying overheads, any profit margin or management fee and incentive payments;	Provided in Related Parties appendix and supporting documentation
(d) a breakdown of all costs included in the contract price; and	Provided in Related Parties appendix and supporting documentation
(e) any methodologies, including consultant's reports, or assumptions used to determine components of those costs included in the contract price.	Provided in Related Parties appendix and supporting documentation
10. <u>PROPOSED INCENTIVE MECHANISM</u> 10.1 Provide, for each incentive mechanism (including existing incentive mechanisms), details of the forecast revenue referable to increments for efficiency gains or decrements for efficiency losses for the <i>next access arrangement period</i> .	Provided in AAI Chapter 11 and associated appendices
10.2 Provide, for each proposed incentive mechanism: (a) an explanation of the operation of the proposed incentive mechanism;	Provided in AAI Chapter 11 and associated appendices
(b) an explanation of the rationale for the proposed incentive mechanism	Provided in AAI Chapter 11 and associated appendices
(c) reference to the source <i>documents</i> used to derive exclusions and inclusions to calculate efficiency gains and losses for the <i>next access arrangement period</i>	Provided in AAI Chapter 11 and associated appendices
(d) any relevant analyses or reports that support the proposed incentive mechanism.	Provided in AAI Chapter 11 and associated appendices
11. <u>RATE OF RETURN FOR THE PROJECTED CAPITAL BASE</u> 11.1 The rate of return guideline sets out: ¹ (a) the <i>AER</i> 's proposed positions on the elements for assessing the rate of return including the return on equity and return on debt;	Provided in AAI Chapter 9 and associated appendices
(b) the estimation methods, financial models, market data and other evidence that the <i>AER</i> proposes to take into account when estimating the allowed rate of return;	Provided in AAI Chapter 9 and associated appendices

¹ *AER*, Better Regulation: Rate of return guideline, December 2013, <http://www.AER.gov.au/sites/default/files/AER%20Rate%20of%20return%20guideline%20-%20December%202013.pdf>

Clause	Access Arrangement Proposal cross-reference
<p>(c) the way in which the <i>AER</i> proposes to take into account the estimation methods, financial models, market data or other evidence.</p> <p>If <i>AusNet</i> proposes any departures from the methods, etc. referenced in section (a) or (b), provide reasons for this departure.</p>	<p>Provided in AAI Chapter 9 and associated appendices</p>
<p>11.2 Provide:</p> <p>(a) a description of <i>AusNet</i>'s actual debt and equity raising costs; and</p>	<p>Provided in AAI Chapter 9 and associated appendices</p>
<p>(b) an explanation of the methodology which <i>AusNet</i> is proposing for the expenditure required to compensate for debt and equity raising costs.</p>	<p>Provided in AAI Chapter 9 and associated appendices</p>
<p>12. PROVISIONS</p>	<p>Disclosed in the Basis of Preparation.</p>
<p>12.1 For all provisions specified in <i>regulatory template 20</i>, provide:</p> <p>(a) a detailed definition of the provision;</p>	
<p>(b) the reasons for increases to the provision, including:</p> <p>(i) any consultant's advice, including actuarial reports; or</p> <p>(ii) if there is no consultant's advice, identify and provide the process <i>AusNet</i> undertook in determining the increase in provisions.</p>	<p>Data reported is consistent with audited Annual Regulatory Accounts. No new consultant advice obtained.</p>
<p>13. CAPITAL BASE</p>	<p>Provided in Proposal RFM and depreciation model</p>
<p>13.1 Provide <i>AusNet</i>'s roll forward model in support of its <i>access arrangement proposal</i>, including <i>AusNet</i>'s calculation of the opening and closing <i>capital base</i> for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i>.</p>	
<p>13.2 If <i>AusNet</i> proposes to change the underlying methods in its roll forward model compared with the roll forward model that was approved for the <i>previous access arrangement proposal</i> for the calculation referred to in section 13.1, describe the reasons for the change.</p>	<p>An amended version of the RFM is used to incorporate forecast depreciation in the RAB roll forward. The AER's draft amended distribution RFM template is not yet final, hence the need to modify the current approved template.</p>
<p>13.3 If the opening value of the <i>capital base</i> as at the start of the <i>next access arrangement period</i> is proposed to be adjusted because of re-use of redundant assets or exclusion of redundant assets, provide details including relevant supporting information used to calculate that adjustment value.</p>	<p>Not applicable</p>
<p>14. DEPRECIATION SCHEDULES</p>	<p>Provided in Proposal RFM and depreciation model</p>
<p>14.1 Provide <i>AusNet</i>'s calculation of the depreciation amounts for the relevant distribution system for each <i>regulatory year</i> of:</p> <p>(a) the <i>current access arrangement period</i> using <i>AusNet</i>'s roll forward model;</p>	
<p>(b) the <i>next access arrangement period</i> using <i>AusNet</i>'s post-tax revenue model.</p>	<p>Provided in Proposal PTRM and depreciation model</p>
<p>14.2 If <i>AusNet</i> proposes to change the underlying depreciation methods in its roll forward model and post-tax revenue model compared with the roll forward model and post-tax revenue model which were approved for the <i>previous access arrangement proposal</i> for the calculations referred to in 14.1, describe the reasons for the changes.</p>	<p><i>AusNet Services</i> continues to apply straight-line depreciation of the RAB but using a separate year by year tracking model which depreciates the opening RAB value. This is further explained in AAI Chapter 8</p>

Clause	Access Arrangement Proposal cross-reference
14.3 Identify any changes to standard asset lives for existing asset classes approved for the <i>previous access arrangement proposal</i> . Explain the reason/s for the change and provide relevant supporting information.	Standard life for Meters is proposed to change from 20 yrs in the previous AA period to 15 yrs in the next AA period. This reflects the current estimated technical life of these assets as explained in AAI Chapter 8
14.4 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.	Not applicable
14.5 If existing asset classes approved for the <i>previous access arrangement proposal</i> 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
14.6 Describe the method used to depreciate existing asset classes as at 1 January 2018 and provide supporting calculations. This may include calculations to estimate remaining asset lives.	AusNet Services proposes the straight-line method and year by year tracking model for depreciation as explained in AAI Chapter 8. Remaining asset lives are no longer a required input in the PTRM under this approach
15. CORPORATE INCOME TAX	Provided in Proposal PTRM
15.1 Provide <i>AusNet's</i> calculation of the estimated cost of corporate income tax for the <i>next access arrangement period</i> using <i>AusNet's</i> post-tax revenue model,.	Provided in Proposal PTRM
15.2 Provide a demonstration that the calculation referred to in 15.1 complies with Rule 87A of the NGR.	Provided in Proposal PTRM
15.3 If <i>AusNet</i> proposes to change the underlying methods in its post-tax revenue model compared with the approved post-tax revenue model for the <i>previous access arrangement proposal</i> for the calculations referred to in 15.1, describe the reasons for the changes.	AusNet Services is proposing to change the method of tax depreciation and tax categories to the AER's standard method and standard tax categories in the next AA period, as explained in AAI Chapter 9
15.4 Identify any changes to tax depreciation rates for existing asset classes approved for the <i>previous access arrangement proposal</i> . Explain the reason/s for the change and provide relevant supporting information, including identifying tax laws governing depreciation for tax purposes.	Standard Tax lives adopted in the next AA period are based on ATO standard tax lives information
15.5 Describe the method used to calculate the tax depreciation rates as at 1 January 2018 and provide supporting calculations, if the approach differs from that in the approved roll forward model for the <i>previous access arrangement proposal</i> .	Provided in Proposal PTRM
15.6 Provide <i>AusNet's</i> calculation of the tax asset base for each <i>regulatory year</i> of the <i>current access arrangement period</i> and <i>next access arrangement period</i> using <i>AusNet's</i> roll forward model.	Provided in Proposal RFM , PTRM

Clause	Access Arrangement Proposal cross-reference
15.7 If <i>AusNet</i> proposes to change the underlying methods in its post-tax revenue model compared with the approved post-tax revenue model for the <i>previous access arrangement proposal</i> for the calculations referred to in 15.6 describe the reasons for the changes.	The calculation of the tax asset base for each regulatory year will be different in the next AA period if the AER accepts <i>AusNet Services'</i> proposal to change its methodology. As explained in AAI Chapter 9
15.8 Identify any differences in the <i>capitalisation</i> 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.	No differences are present
16. REVENUES AND PRICES FOR REFERENCES SERVICES	PTRM and AAI Chapter 15
16.1 Provide: (a) <i>AusNet's</i> calculation of the unsmoothed and smoothed revenues, and prices for the purposes of the <i>reference tariff variation mechanism</i> proposed by <i>AusNet</i> using <i>AusNet's</i> post-tax revenue model.	
(b) If <i>AusNet</i> proposes to change the underlying methods in its post-tax revenue model compared with the approved post-tax revenue model for the <i>previous access arrangement proposal</i> for the calculations referred to in 16.1(a), describe the reasons for the changes.	No change
17. TARIFFS	
Total revenue allocation	
17.1 Provide: (a) an explanation, including any relevant calculations, of the methods or principles used to allocate relevant cost pools; (b) for rebateable services, a description of the mechanism that <i>AusNet</i> will use to apply an appropriate portion of the revenue generated from the sale of rebateable services to price rebates (or refunds) to <i>users of reference services</i> (see Rule 93 of the NGR).	Refer to <i>AusNet Services CAM for Cost Allocation</i> No rebateable services are offered
Tariffs – distribution pipelines (see Rule 94 of the NGR)	AAI Chapter 15
17.2 For each <i>tariff</i> , and if it consists of two or more charging parameters, each charging parameter for a <i>tariff class</i> , provide: (a) a description of how <i>AusNet</i> has taken into account the long run marginal cost for the <i>reference service</i> or, in the case of a charging parameter, for the element of the service to which the charging parameter relates;	
(b) details of the transaction costs associated with the <i>tariff</i> or each charging parameter;	N/A
(c) whether <i>customers</i> belonging to the relevant <i>tariff class</i> are able or likely to respond to price signals; and	AAI Chapter 15
(d) an explanation of the methodology used to allocate costs.	AAI Chapter 15
Prudent discounts (see Rule 96 of the NGR)	
17.3 Identify all prudent discounts that <i>AusNet</i> proposes for the <i>next access arrangement period</i> and the <i>users</i> to whom they will apply and explain: (a) how each prudent discount is necessary to respond to competition or maintain efficient use of the <i>pipeline</i> ; and	No Discounts are applied.

Clause	Access Arrangement Proposal cross-reference
(b) whether, including relevant calculations, <i>reference tariffs</i> would be higher without the prudent discount than they would be with the prudent discount.	N/A
18. REFERENCE TARIFF VARIATIONS	
<i>Reference tariff variation mechanism</i>	
18.1 Provide an explanation of: (a) the proposed <i>reference tariff variation mechanism</i> and the basis for any parameters used in the mechanism; and	AAI Chapter 14
(b) the administrative arrangements for periodic reviews of <i>tariffs</i> including the timing of notifications to the <i>AER</i> .	AAI Chapter 14
18.2 Identify:	
(a) the possible effects of the proposed <i>reference tariff variation mechanism</i> on <i>AusNet's</i> administrative costs and, if known, the administrative costs of <i>users</i> or potential <i>users</i> ; and	AAI Chapter 14
(b) all relevant regulatory arrangements <i>AusNet</i> considers applicable to the relevant <i>reference services</i> before the commencement of the proposed <i>reference tariff variation mechanism</i> .	AAI Chapter 14
Cost pass through mechanism	AAI Chapter 12
18.3 Provide:	
(a) a definition and description of each cost pass through event;	
(b) an explanation of how each cost pass through event is uncontrollable;	AAI Chapter 12
(c) an explanation of whether the costs of the cost pass through event are already provided for through the <i>operating expenditure</i> or <i>capital expenditure</i> forecasts, the WACC (events which affect the market generally and not just the provider are systemic risk and already compensated through the WACC), or any other mechanism or allowance; and	AAI Chapter 12
(d) an explanation of the administrative arrangements for cost pass through events and their relationship to other periodic reviews for other <i>tariff</i> variation mechanisms including the timing of notifications to the <i>AER</i> .	AAI Chapter 12
18.4 Identify:	AAI Chapter 12
(a) the materiality threshold <i>AusNet</i> proposes for cost pass through events;	
(b) the possible effects of the proposed cost pass through mechanism on <i>AusNet's</i> administrative costs and, if known, the administrative costs of <i>users</i> or potential <i>users</i> ; and	AAI Chapter 12
(c) all relevant regulatory arrangements <i>AusNet</i> considers applicable to the relevant <i>reference services</i> prior to the commencement of the proposed cost pass through mechanism.	AAI Chapter 12

Clause	Access Arrangement Proposal cross-reference
<p>19. NON-TARIFF COMPONENTS</p> <p>Non-tariff terms and conditions</p> <p>19.1 Provide:</p> <p>(a) details of any amendments to the non-<i>tariff</i> terms and conditions of the <i>access arrangement</i> that <i>AusNet</i> proposes for the <i>next access arrangement period</i>; and</p>	AAI Chapter 18
<p>(b) for each amendment identified in section 19.1(a), explain the reasons for the proposed amendment.</p>	AAI Chapter 18
<p>Queuing requirements</p> <p>19.2 Provide details of the process or mechanism for order of priority for spare or developable capacity, (for example, whether it is to be as a first-come-first-served basis or by auction).</p>	AAI Chapter 17
<p>Capacity trading requirements</p> <p>19.3 Identify the rules or <i>procedures AusNet</i> must accord with under Rule 105 of the NGR.</p>	AAI Chapter 17
<p><i>Extension and expansion requirements</i> (see Rule 104 of the NGR)</p> <p>19.4 Provide:</p> <p>(a) details of any <i>extension and expansion requirements</i> where that <i>extension and expansion requirement</i> states that the <i>access arrangement</i> will apply to incremental services to be provided as a result of the extension or expansion;</p>	AAI Chapter 17
<p>(b) details of the effect of those <i>extension or expansion requirements</i> identified in section 14.4(a) on <i>tariffs</i>.</p>	AAI Chapter 17
<p>Change of receipt or delivery point by user</p> <p>19.5 Explain:</p> <p>(a) how <i>users</i> may obtain consent, including identifying any relevant conditions, to change <i>receipt or delivery points</i> as contemplated under Rule 106 of the NGR;</p>	AAI Chapter 17
<p>(b) where relevant, the technical or commercial considerations and other relevant conditions in the event <i>AusNet</i> intends to withhold consent to a change in a <i>receipt or delivery point</i>.</p>	AAI Chapter 17

Clause	Access Arrangement Proposal cross-reference
20. POLICIES AND PROCEDURES	AAI Chapter 2, Chapter 3, Chapter 6, Chapter 7 and associated appendices
20.1 List and provide a brief description of key internal plans, policies, <i>procedures</i> or strategies that are used to plan and conduct <i>AusNet's</i> day to day operations and that have been relied upon in the development of the <i>access arrangement proposal</i> . This includes: <ul style="list-style-type: none"> (a) plans, policies, <i>procedures</i> or strategies applicable to the management, maintenance, and planning of networks, for example - <i>augmentation</i> and planning, cost estimation, asset management, condition monitoring and replacement, operations and maintenance, and demand, energy supply and <i>customer</i> growth forecasting; 	
<ul style="list-style-type: none"> (b) plans, policies, <i>procedures</i> or strategies applicable to investment decision making and the allocation of costs, for example - risk assessment and management, investment evaluation, prioritisation and options analysis, corporate governance and investment approval, procurement, <i>project</i> management, and cost allocation. 	AAI Chapter 2, Chapter 3, Chapter 6, Chapter 7 and associated appendices
20.2 Identify any internal plans, policies, <i>procedures</i> and strategies that have changed in the <i>current access arrangement period</i> or that will change before the <i>next access arrangement period</i> where the change has had a material impact on forecast expenditures for the <i>next access arrangement period</i> .	AAI Chapter 2, Chapter 3, Chapter 6, Chapter 7 and associated appendices
21. CONFIDENTIAL INFORMATION	Refer Confidentiality response document
21.1 If <i>AusNet</i> wishes to make a claim for confidentiality over any <i>AusNet information</i> , provide the details of that claim in accordance with the requirements of <i>AER's</i> Confidentiality Guideline, ² as if it extended and applied to that claim for confidentiality.	Refer Confidentiality response document
21.2 Provide any details of a claim for confidentiality in response to section 21.1 at the same time as making the claim for confidentiality.	Refer Confidentiality response document
21.3 Confirm, in writing, that <i>AusNet</i> consents to the <i>AER</i> disclosing all other <i>AusNet information</i> on the <i>AER</i> website.	Confirmed, AAI Chapter 5

² *AER*, Better Regulation: Confidentiality Guideline, November 2013, <http://www.aer.gov.au/sites/default/files/AER%20Confidentiality%20guideline%20-%20November%202013.pdf>