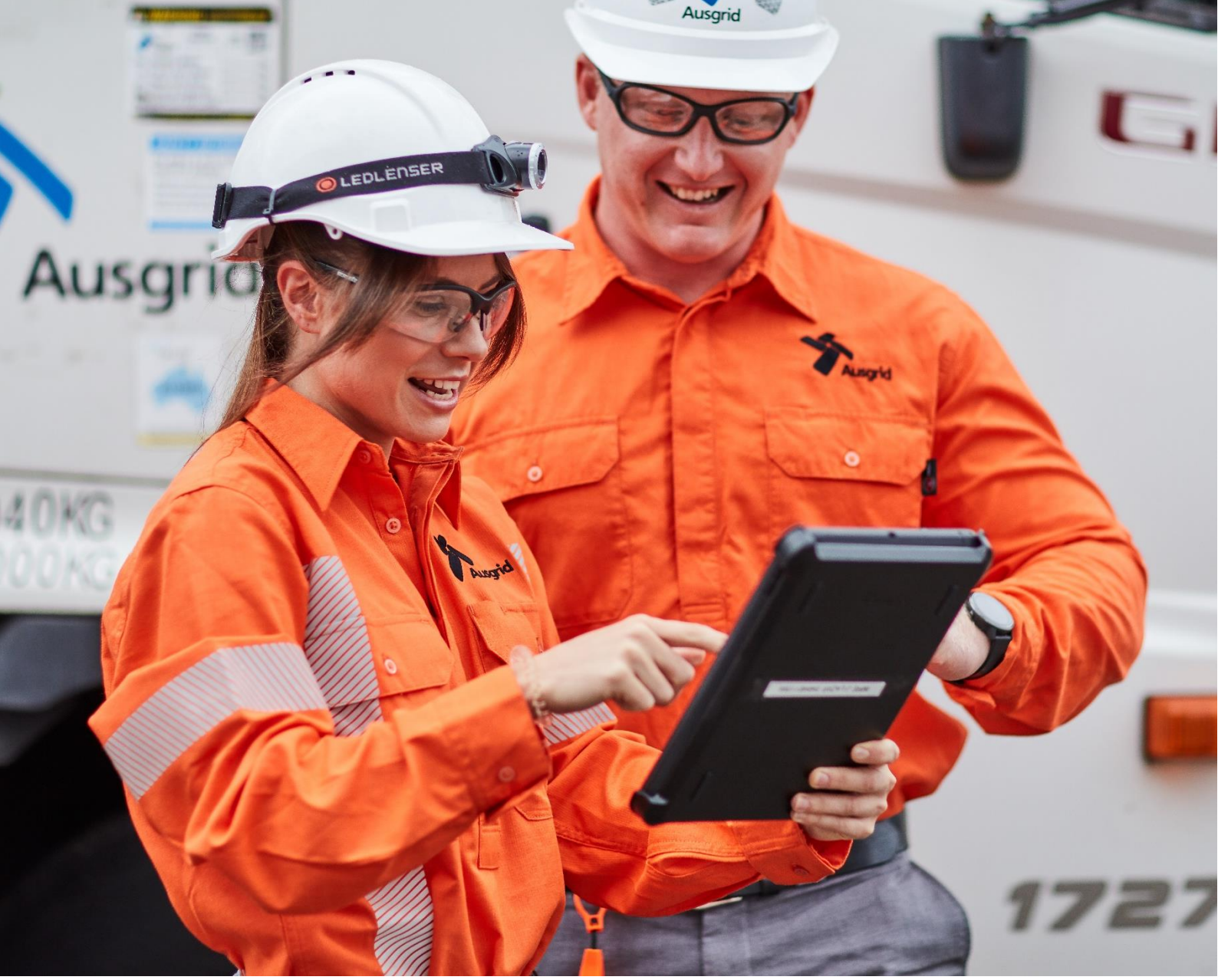

31 January 2023

RIN.16 – Basis of Preparation

Ausgrid's 2024-29 Regulatory Proposal

Empowering communities for a resilient, affordable and net-zero future.

Ausgrid

1. Workbook 2 - Historical data

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	METER TYPES	Actual	Standardised metering capex and opex model		List revelant meter types.	Note: NSW only has non AMI type 5 & type 6 meters. Non AMI - Type 6 Locally read Interval - 3 Phase CT: The RIN data portal did not include a field for this particular meter type that is a requirement for the annual metering RIN collation exercise. It was decided that this additional data field would be incorporated in Rosetta, using one of the free text fields at the bottom of table 4.2.		The response to table '4.2.4 Metering CAPEX' utilised the AER response worksheets provided. This submission complies with the relevant sections of the RIN and costs have been derived in accordance with Ausgrid's financial methodology and operational quantities are drawn from the appropriate Ausgrid databases.

Ausgrid

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	METER ACTIONS	Actual	Standardised metering capex and opex model		List relevent action types	Ausgrid only record actions for new meter installations, replacements - end of life, replacements - failures & faults and abolishment's. Refurbishments are not relevant for Ausgrid. Refurbishments of regulated meters are not applicable as the technology of the meter is obsolete New meter installations - growth: new meters for residents and small businesses. Replacement meters - failures and faults As part of the BAU operation of regulated metering, meters can be identified with a fault or failure, e.g. attempted meter read unable to be performed due to fault. Notification is given from the meter reader to metering field operations who perform a reactive meter replacement. Replacement meters - end of life: As part of		The response to table '4.2.4 Metering CAPEX' utilised the AER response worksheets provided. This submission complies with the relevant sections of the RIN and costs have been derived in accordance with Ausgrid's financial methodology and operational quantities are drawn from the appropriate Ausgrid databases.

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
							Ausgrid's testing regime, regulated meter types are regularly tested for accuracy and condition issues. When a meter type is not achieving the desired criteria for performance they are identified and proactively replaced with new meters Abolishment is the removal of a connection point and meter from our network. This can occur for example when a single dwelling property if demolished for the development of apartments. The existing NMI is abolished and new NMI's will be created when the new building is finished.		

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	Table 4.2.4 - METERING CAPEX - A. METER RELATED COSTS	Actual	Actual information has been based on extraction of actual financial data directly from our SAP financial system from the TM1 reporting system (Ausgrid's financial accounting and reporting system)		The process of populating this RIN utilised a centrally managed approach. The business process owner coordinated the inputs that were supplied by subject matter experts and management teams. A feedback loop was also incorporated to allow the Manager to verify the accuracy of the supplied information (including source data) and this notice was prepared in accordance with the methodology utilised in AER 2014-19 Regulatory Submission	No Expenditure or volumes are required post 2017/18. From December 4, 2017, the power of choice reforms implemented in NSW dictate that Ausgrid is no longer responsible for installing meters for residential and small business customers. All new electricity meters installed are advanced digital meters, provisioned by a contestable meter provider Ausgrid records the capital expenditure data at the action level but does not have this detail broken by individual meter type. The meter related costs were calculated by using the 2017/18 meter population data recorded in 4.2.5, and using this proportional spread to derive individual capital expenditure by meter		The response to table '4.2.4 Metering CAPEX' utilised the AER response worksheets provided. This submission complies with the relevant sections of the RIN and costs have been derived in accordance with Ausgrid's financial methodology and operational quantities are drawn from the appropriate Ausgrid databases.
4.2b	Metering Capex	Table 4.2.4 - METERING CAPEX - B. ASSET DISPOSAL	Actual	N/A		N/A	N/A	N/A	N/A

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
		INCOME (income from disposal of meters)							
4.2b	Metering Capex	Table 4.2.4 - METERING CAPEX - C. CAPITAL CONTRIBUTIONS	Actual	N/A		N/A	N/A	N/A	N/A
4.2b	Metering Capex	Table 4.2.5 - METER POPULATION - at end of year	Actual	2017/18 through to 2021/22 volumes were obtained from Ausgrid's Metering Business System (MBS). Meter population figures are as at 30 June of each respective financial year.		The process of populating this RIN utilised a centrally managed approach. The business process owner coordinated the inputs that were supplied by subject matter experts and management teams. A feedback loop was also incorporated to allow the Manager to verify the accuracy of the supplied information (including source data) and this notice was prepared in accordance with the methodology utilised in AER 2014-19 Regulatory Submission Note, the meter population volume data	Type 5 & 6 meters for this table are defined as installed populations only (based upon how a site is registered/classified in the national electricity market). The volume is a count of meters. This volume includes some NEM registered type 5 sites that have aspects of AMI or Type 4 style communications implemented for operational reasons. i.e. chronic access		The response to table '4.2.5 Metering population - at end of year' utilised the AER response worksheets provided. This submission complies with the relevant sections of the RIN and costs have been derived in accordance with Ausgrid's reporting methodology and operational quantities are drawn from the appropriate Ausgrid database.

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
						has been extracted from previously audited RIN submissions			
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - A. NEW METER INSTALLATIONS - GROWTH	Actual	For 2017/18, actual volumes were extracted from Ausgrid's Metering Business System database		1. New meter installations - growth volumes were sourced from Ausgrid's Metering Business System database 2. The actions by meter type were calculated by using the 2017/18 meter population data recorded in 4.2.5, and using this proportional spread to derive individual meter type action volumes	No Expenditure or volumes are required post 2017/18. From December 4, 2017, the power of choice reforms implemented in NSW dictate that Ausgrid is no longer responsible for installing meters for residential and small business customers. All new electricity meters installed are advanced digital meters, provisioned by a contestable meter provider Ausgrid records the volume data at the action level but does not have this detail broken down by action by meter type. The actions by meter		The response to table '4.2.6 Meter actions by meter types' utilised the AER response worksheets provided. This submission complies with the relevant sections of the RIN and costs have been derived in accordance with Ausgrid's financial methodology and operational quantities are drawn from the appropriate Ausgrid databases.

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
							type were calculated by using the 2017/18 meter population data recorded in 4.2.5, and using this proportional spread to derive individual meter type action volumes		
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - B. REFURBISHED METERS	Actual						

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - C. REPLACEMENT METERS - END OF LIFE	Actual	For 2017/18, actual volumes were extracted from Ausgrid's Metering Business System database		1. Replacement meters - End of life volumes were sourced from Ausgrid's Metering Business System database 2. The actions by meter type were calculated by using the 2017/18 meter population data recorded in 4.2.5, and using this proportional spread to derive individual meter type action volumes	No Expenditure or volumes are required post 2017/18. From December 4, 2017, the power of choice reforms implemented in NSW dictate that Ausgrid is no longer responsible for installing meters for residential and small business customers. All new electricity meters installed are advanced digital meters, provisioned by a contestable meter provider Ausgrid records the volume data at the action level but does not have this detail broken down by action by meter type. The actions by meter type were calculated by using the 2017/18 meter population data recorded in 4.2.5, and using this proportional spread to derive individual meter type action volumes		The response to table '4.2.6 Meter actions by meter types' utilised the AER response worksheets provided. This submission complies with the relevant sections of the RIN and costs have been derived in accordance with Ausgrid's financial methodology and operational quantities are drawn from the appropriate Ausgrid databases.

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - D. REPLACEMENT METERS - FAILURES AND FAULTS	Actual	For 2017/18, actual volumes were extracted from Ausgrid's Metering Business System database		1. Replacement meters - Failures and faults volumes were sourced from Ausgrid's Metering Business System database 2. The actions by meter type were calculated by using the 2017/18 meter population data recorded in 4.2.5, and using this proportional spread to derive individual meter type action volumes	No Expenditure or volumes are required post 2017/18. From December 4, 2017, the power of choice reforms implemented in NSW dictate that Ausgrid is no longer responsible for installing meters for residential and small business customers. All new electricity meters installed are advanced digital meters, provisioned by a contestable meter provider Ausgrid records the volume data at the action level but does not have this detail broken down by action by meter type. The actions by meter type were calculated by using the 2017/18 meter population data recorded in 4.2.5, and using this proportional spread to derive individual meter type action volumes		The response to table '4.2.6 Meter actions by meter types' utilised the AER response worksheets provided. This submission complies with the relevant sections of the RIN and costs have been derived in accordance with Ausgrid's financial methodology and operational quantities are drawn from the appropriate Ausgrid databases.

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - E. NSP ACTION 4	Actual	N/A		N/A	N/A	N/A	N/A
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - F. NSP ACTION 5	Actual	N/A		N/A	N/A	N/A	N/A
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - G. NSP ACTION 6	Actual						
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - H. NSP ACTION 7	Actual	N/A		N/A	N/A	N/A	N/A

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - I. NSP ACTION 8	Actual	N/A		N/A	N/A	N/A	N/A
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - J. NSP ACTION 9	Actual						

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2b	Metering Capex	Table 4.2.6 - METER ACTIONS BY METER TYPE - K. ABOLISH MENTS	Actual	For actual volumes were extracted from Ausgrid's Metering Business System database		Abolished Meter volumes were sourced from Ausgrid's Metering Business System database (MBS)	Under the power of choice Ausgrid is no longer responsible for installing meters for residential and small business customers. However, the abolishment of our existing 5&6 population is still a requirement for Ausgrid to complete. In certain circumstances an National Metering Identification (NMI) connection point can have multiple meters attached. This is often the case for older type 6 meters, when connections have a multiple phase connection or a unique connection type (eg solar generation or load control). For the purpose of the analysis a combination of a review of the raw rata or the comparison of historic averages has been used to estimate the number of meters per NMI.	- The source analysis is broken into 2 separate data sets (NMI's and meters). A NMI connection can have multiple individual meters connected and thus there are less NMI's than physical meters abolished. - The analysis provided also include other smart meters abolished across our network (ie AMI's), these abolishments are not part of our network but are recorded within our MBS - The MBS team also confirmed only Ausgrid has authority to operate type 5 or 6 meters across our network and thus abolishments	N/A

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
								represent only Ausgrid meters	
4.2c	Metering ICT	EQUIPMENT TYPE	Actual						
4.2c	Metering ICT	Table 4.2.7 - ICT PROJECTS CAPEX - A. COMMUNICATION PROJECTS	Actual						

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
4.2c	Metering ICT	Table 4.2.7 - ICT PROJECTS CAPEX - B. IT PROJECTS	Actual	SAP BI Projects		- A list of all Capital costs was extracted from SAP BI - Total Ausgrid capital costs were extracted from SAP BI utilizing the PTRM asset class category and applying the Metering Line of Business. This has been agreed with Ausgrid's regulatory team to align with the Metering model. - There has been a manual adjustment made to FY21 results which is in alignment with the Metering RIN (details are in the "FY21 Adj" worksheet of the attached file)			
4.2c	Metering ICT	Table 4.2.7 - ICT PROJECTS CAPEX - C. OTHER ICT PROJECTS	Actual						
4.2c	Metering ICT	Table 4.2.8 - EQUPMENT POPULATION - at	Actual						

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
		end of year							
7.4	Shared Assets Historical	Table 7.4.1 - TOTAL UNREGULATED REVENUE EARNED WITH SHARED ASSETS (HISTORICAL)	Actual	2016/17 and 2017/18 costs are based on figures obtained from the 19-24 Regulatory Reset RIN. For years 2018/19 through to 2021/22 are sourced from Financial Internal Order (I/O) reports and analysis derived by Ausgrid's Finance and Compliance - Commercial Finance Team. Pole & Duct rental revenue has been extracted from our financial system (SAP) from the TM1 reporting system.		The populating of this RIN incorporated a centrally managed approach, with a number of business owners involved who supplied their inputs by subject matter experts and consolidated. The property lease income (revenue) has been based on a split between network and non network properties. The figures for the period 2018/19 through to 2021/22 are based on total property lease income proportionally split using the network / non network split from the commitments report, which is a breakdown of leases between network and non network at a point in time. Lighting Solutions (formerly know as Night Watch and			

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
						Energy Light) is relevant for years 2016/17 through to 2019/20 only. After this period of time, it was reclassified as Alternate Control Services (ACS) and therefore not included beyond 2019/20 A feedback loop was also incorporated to allow the Manager to verify the accuracy of the supplied information (including source data) and this notice was prepared in accordance with the methodology utilised in AER 2014-19 Regulatory Submission.			

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
7.4	Shared Assets Historical	Table 7.4.2 - SHARED ASSET UNREGULATED SERVICES - APPORTIONMENT METHODOLOGY (HISTORICAL)	Actual	2016/17 and 2017/18 costs are based on figures obtained from the 19-24 Regulatory Reset RIN. For years 2018/19 through to 2021/22 are sourced from Financial Internal Order (I/O) reports and analysis derived by Ausgrid's Finance and Compliance - Commercial Finance Team. Pole & Duct rental revenue has been extracted from our financial system (SAP) from the TM1 reporting system.		The populating of this RIN incorporated a centrally managed approach, with a number of business owners involved who supplied their inputs by subject matter experts and consolidated. The property lease income (revenue) has been based on a split between network and non network properties. The figures for the period 2018/19 through to 2021/22 are based on total property lease income proportionally split using the network / non network split from the commitments report, which is a breakdown of leases between network and non network at a point in time. Lighting Solutions (formerly know as Night Watch and Energy Light) is relevant for years 2016/17 through to 2019/20 only. After this period of time, it was			

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
						reclassified as Alternate Control Services (ACS) and therefore not included beyond 2019/20 A feedback loop was also incorporated to allow the Manager to verify the accuracy of the supplied information (including source data) and this notice was prepared in accordance with the methodology utilised in AER 2014-19 Regulatory Submission.			

1. Workbook 7 - Historical data

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
3.2	Operating Expenditure Recast	Table 3.2.2 - OPEX CONSISTENCY (RECAST)	Actual	Actual data has been based on extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system).		Operating expenditure reported in Table 3.2.2 has been prepared in accordance with Ausgrid's Cost Allocation Methodology (CAM) approved for 2429 Regulatory Proposal. Financial data included in Table 3.2.2 is sourced from SAP and TM1. The previous CAM used numerous cost allocators for shared costs (FTE, revenue, floor space,etc), whereas the new CAM has been simplified to use only weighted average revenue. The new CAM reflected in this table replaced the previous cost allocators with weighted average revenue. Two	Ausgrid has determined standard control services "operating expenditure for network services" as the aggregate of operating expenditure for the year. Ausgrid has aligned the Alternative Control Services operating expenditure for metering, connection services, public lighting and network services to the Category Analysis RIN, Annual Regulatory Reporting RIN and cost objects in TM1. There are no numbers for "Operating expenditure for amounts payable for easement levy or similar direct charges on DNSP" as Ausgrid capitalises these amounts. There are no numbers for "Operating expenditure for transmission connection point planning" as Ausgrid's costs are	N/A	Information reported in Table 3.2.2 (Re-cast) is in accordance with the requirements of the Notice to recalculate the opex categories using the Ausgrid's CAM approved for 2429 Regulatory Proposal, AER's RIN Economic Benchmarking Explanatory Statement and Instructions and Definitions Manual, November 2013.

Tab ID	Tab Name	Table and Rule Allocation	Estimated / Actual	Data Source	Why Estimated – Provide justification	Methodology	Assumptions	Additional Comments	Consistency Information
						variants of weighted average revenue were used: - Weighted average revenue including unregulated revenue, applied to shared costs applicable to both regulated and unregulated activities, such as legal, finance and insurance; and - Weighted average revenue without unregulated revenue, applied to shared costs applicable only to regulated activities, such as contact centre and regulatory team.	capitalised as a part of the planning of our transmission network with discussions with Transgrid		