Basis of Preparation

2019/20 Response to Annual RIN dated 18 December 2013 October 2020

Template - 3.6 Quality of Service

Table 3.6.5 - QUALITY OF SUPPLY METRICS

Table 3.6.7.4 - NUMBER OF CUSTOMER COMPLAINTS

Compliance with Requirements of the Notice

Source of Information

When a customer contacts Ausgrid with a complaint, the information is entered into the CRM system - Complaints module.

A Power BI report is used to extract and analyse the data from CRM at the end of the reporting period. The report is Complaints 3.0.

Methodology & Assumptions

The Complaints 3.0 Report provides a basis for the complaint volume break-downs.

Use of Estimated Information

Reliability of Information

Table 3.6.6 - COMPLAINTS - TECHNICAL QUALITY OF SUPPLY

Table 3.6.6.1 - TECHNICAL QUALITY OF SUPPLY

Table 3.6.6.2 - PERCENTAGE OF COMPLAINTS BY CATEGORY

Table 3.6.6.3 - PERCENTAGE OF COMPLAINTS BY LIKELY CAUSE

Compliance with Requirements of the Notice

Source of Information

When a customer contacts Ausgrid with a quality of service / supply complaint, the information is entered into the CRM system Complaints module.

A combination of Power BI reports are used to extract and analyse the data from CRM at the end of the reporting period. The reports are Complaints 3.0, Voltage Related Complaints, and Solar Inverter Complaints.

Legitimate complaints are created in SAP as a Notification, the Change Service Notifications Report is also used to preparee this entry.

Methodology & Assumptions

The Complaints 3.0 Report provides a total number of Quality of Service / Supply complaints.

The Voltage Related Complaints and Solar Inverter Complaints reports provide additional detail used to determine Category.

The SAP Notifications Report is used as bassis for Likely Cause %.

Assumptions:

N/A

Use of Estimated Information

No instances of information that cannot be provided.

Reliability of Information

N/A

Table 3.6.7.1 - TIMELY PROVISIONS OF SERVICES

Compliance with Requirements of the Notice

Section 3.6.7.1 of the annual RIN reporting template requires information on number of connections made and the number of connections not provided on or before the agreed date.

Data supplied is true and correct to the best of my ability.

Source of Information

Timely provision of services

The Australian Energy Regulator (AER) published its Ring-fencing Guideline on 30 November 2016, with compliance to be met by 1 January 2018. The purpose of the Ring-fencing Guideline is to support the development of competition across energy services markets and to provide customers with more cost efficient services. Following the introduction of the guideline, Ausgrid no longer competes in the minor connections contestable service work market, and therefore has undertaken zero (0) connections on new and existing connections during the 2019/20 period.

Methodology & Assumptions

Assumptions:

N/A

Use of Estimated Information

No estimations were made.

Reliability of Information

N/A

Table 3.6.7.2 - TIMELY REPAIR OF FAULTY STREET LIGHTS

Compliance with Requirements of the Notice

Using the required reporting applications, data supplied is true. Faults provided are from our Online Street Lighting Reporting Portal and have not excluded any major event days

Source of Information

Street lights - average monthly number "out"

The Source of data is initially entered into the SAP PM (Plant Maintenance) database and then automatically placed into the Business Objects Universe on a nightly basis.

Street lights - not repaired by "fix by" date

The Source of data is initially entered into the SAP PM (Plant Maintenance) database and then automatically placed into the Business Objects Universe on a nightly basis.

Street lights - average number of days to repair

The Source of data is initially entered into the SAP PM (Plant Maintenance) database and then automatically placed into the Business Objects Universe on a nightly basis.

Total number of street lights

The Source of data is initially entered into the SAP PM (Plant Maintenance) database and then automatically placed into the Business Objects Universe on a nightly basis.

Methodology & Assumptions

Street lights - average monthly number "out"

Using the Business Objects Universe, a report was executed to extract all customer raised street lighting jobs that occurred during the 2019/20 financial year. A customer street lighting job raised in FY20 can be identified by having a Reported Date that falls within the 2019/20 financial year and a notification type of "ML". All raised ML notifications were returned and then divided by 12 to determine the average monthly number "out" amount.

Street lights - not repaired by "fix by" date

Using the Business Objects Universe, a report was executed to extract all customer raised street lighting jobs that occurred during the 2019/20 financial year. A customer street lighting job raised in FY20 can be identified by having a Reported Date that falls within the 2019/20 financial year and a notification type of "ML". For this figure we have taken into consideration both "General Fault" and "Specific Fault" jobs. We

then calculating the number of days between the Reported Date and Completion Date to determine the response time to complete the job. For this calculation we excluded weekends and public holidays. We also excluded street lighting jobs that were effected by a Major Storm incident or if it was considered to be a Condemned Pole. If a "General Fault" exceeded 10 days, it would be added to the tally, If a "Specific Fault" exceeded 20 days, it would be added to the tally. The 10 days and 20 days are maintenance targets set by iPART. This was the same method used for our FY20 annual report to IPART.

Street lights - average number of days to repair

Using the Business Objects Universe, a report was executed to extract all customer raised street lighting jobs that occurred during the 2019/20 financial year. A customer street lighting job raised in FY20 can be identified by having a Reported Date that falls within the 2019/20 financial year and a notification type of "ML". We have reported on the average repair time for "General Fault" jobs. We then calculating the number of days between the Reported Date and Completion Date to determine the response time to complete the job. For this calculation we excluded weekends and public holidays. We also excluded street lighting jobs that were effected by a Major Storm incident or if it was considered to be a Condemned Pole. By using this calculation we determined the average number of days to repair a street light fault. This was the same method used for our FY20 annual report to IPART.

Total number of street lights

Using Business Objects Report the total number of street lights was extracted. We only included Rate 1,2,4 and 5 street lights. Rate 3 street lights were excluded from the count as they are recognised as privately owned are not maintained by Ausgrid.

Use of Estimated Information

Reliability of Information

N/A

Table 3.6.7.3 - CALL CENTRE PERFORMANCE

Compliance with Requirements of the Notice

Using the required reporting applications, data supplied is true and correct. Extracted data is attached.

Call volumes provided are from our Emergency/Hazards lines and include any major event days.

Source of Information

The Ausgrid Contact Centre reporting is captured in a number of Genesys tables from 6.30am - 10.00pm and in an Alcatel Application (CCSupervision) from 10.00pm - 6.30am.

Interactive Insights is the reporting application that combines both the Genesys and Alcatel data and provides a combined result across all queues and call types.

The overload events have been captured by ICT as below:

Application	Overload Event Dates	Comments
Alcatel	17-Mar-20	The MNF network was experiencing issues connecting to other carriers' networks due to a lack of interconnect capacity between MNF and other carriers.MNF has added extra interconnect capacity. in their network
Alcatel	9-Feb-20	A lack of timeslots between the Silverwater ISDN Shelves (Shelf 36 and 37) caused the issue when under a high load (call volumes>180 in the queue.
Alcatel	30-Jan-20	Root cause due to a Telstra Network Issue in their environment which caused speech path disconnection as experienced in the NOCC. When relying on Voice over Internet Protocol "IP Telephony", packet loss can result in loss of audio or one-way audio.

Avalanche	26-Nov-19	Avalanche exceeded capacity during the network event on 26 November 2019. This was due to the service provider decreased the number of concurrent calls without knowledge or approval of Ausgrid.
Genesys	1-Nov-19	Power failure to Vendor cage in DC. Complete loss of power to all servers in Cage
Genesys	4-Jul-19	Genesys platform application flips were due to works being carried out by Uecomm that affected the Veridian inter DC connectivity

Methodology & Assumptions

Data for this report is extracted from Interactive Insights, which combines both the Genesys and Alcatel reporting data. The input dates are from 01/07/2019 to 30/06/2020.

Once the report has been run, a filter is applied to exclude all calls except Emergency/Hazard calls.

Calls abandoned within 30 seconds have not been deducted from the Calls to Call Centre Fault Line report.

Assumptions:

N/A

Use of Estimated Information

Reliability of Information

N/A

Template - 3.6.8 Network Feeders

Table 3.6.8 - NETWORK FEEDER RELIABILITY

Compliance with Requirements of the Notice

The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.

Source of Information

The data is taken from outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment NORD. Fields within each OMS record are entered both automatically and manually and are subject to quality assurance checks. Information for interruptions affecting single premises is sourced from Ausgrid's Customer Aided Service System (CASS). For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is reconciled into OMS post event. Following an outage, an Ausgrid officer validates the existing OMS record against the blue form or LID system report and customer call data. If the existing outage event record can be made to accurately reflect interruption details it is completed. Otherwise, the event is recreated in OMS based on switching details such that the record accurately reflects the restoration switching.

OMS outage event records include the following fields:

- Date of event
- Time of interruption
- Time of restoration
- Event trigger
- Number of Customers Interrupted (CI)
- Number of Customer Minutes Interrupted (CMI)
- Feeder ID
- Event Hierarchy
- Exclusion Flag

- Exclusion Reason

OMS automatically calculates CI and CMI by combining the following information:

- Electrical connectivity details from Ausgrid's Graphical Information System (GIS)
- Interruption and restoration steps as recorded by System Operators
- National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B).

The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic based on manually entered interruption and switching steps. SAP, CCS and B2B are used to exclude inactive and permanently disconnected customers from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI, SAIFI and Unserved Energy are later calculated based on the extracted data.

The length of feeders is extracted from the GIS system and uploaded into the NORD reporting database.

The feeder maximum demand data is supplied by Asset Investment Planning group and uploaded into the NORD reporting database.

The Daily Average Load is obtained from the Asset Investment Standards and Policies section and uploaded into the NORD reporting database.

Methodology & Assumptions

The data is extracted from OMS reporting environment for the 2019/20 regulatory period containing outage events and a list of NMI affected by each event aggregated to the Distribution Centre level of the network and then to the current feeder supplying the Distribution Centre.

The average consumption of the customers interrupted is estimated using their billing history, a Daily Average Load for each NMI is determined. For any outage event a set of NMIs will be affected for each Distribution centre, their Daily Average Load (DAL) is combined and allocated to that Distribution centre. The Unserved energy is calculated by multiplying the Customer Minutes interrupted by the Distribution Centre loading. This unserved energy is aggregated to the current feeder. For each set of planned or unplanned data the unserved energy is consolidated by summing estimated unserved energy of each outage event.

The extracted data set contains all outage events with the following information (Events are classified as "excluded" in accordance with Clause 3.3 of the STPIS which aligns with the definitions in Appendix F).

- Event Id
- A feeder number associated with an event
- A number of customers supplied by a feeder
- The CI and CMI of an event
- The calculated total DAL of customers interrupted by an event
- A type of an event: planned, unplanned, excluded
- A zone substation name and
- A feeder classification

Tee extracted data is aggregated to a feeder level into table 3.6.8 as per listed below:

Feeder number: Feeder ID / name

Zone: Description of the service area for the feeder

Feeder category: Feeder classification

Customers Fed: Number of distribution customers (average)

Unplanned: Total number of unplanned outages

Planned: Total number of planned outages

Unplanned Outages: Feeder based SAIDI / SAIFI are calculated in NORD including both excluded events and MEDs and excluding both excluded events and MEDs.

Planned Outages: Feeder based SAIDI / SAIFI are calculated in NORD including both excluded events and MEDs and excluding both excluded events and MEDs.

Momentary Outages: Ausgrid does not have the capacity to report against momentary using the MAIFIe criteria, as such this is intentionally left blank.

The calculation of some of the variables in Table 3.6.8 Network feeders are demonstrated below:

Unplanned Customer minutes off Supply - Including excluded events and MEDs

For the regulatory year:

1. Calculate the sum of the unplanned CMI MED for each feeder (a);

2. Calculate the sum of the excluded events CMI for each feeder (b);
3. Calculate the sum of the unplanned CMI exclusive of both MED and excluded events for each feeder (c);
4. Sum (a) + (b) + (c) for each feeder.

Unplanned Customer minutes off Supply -after removing excluded events and MED

For the Regulatory year:

Calculate the sum of the unplanned CMI exclusive of MED and excluded events for each feeder (c);

Unplanned interruptions SAIFI - including excluded events and MEDs

For the regulatory year:

1. Calculate the sum of the unplanned SAIFI MED for each feeder (d);
2. Calculate the sum of the excluded SAIFI for each feeder (e);
3. Calcuate the sum of the unplanned SAIFI exclusive of both MED and excluded events for each feeder (f);
4. Sum (d) + (e) + (f) for each feeder.

Unplanned interruptions SAIFI - after removing excluded events and MED

For the Regulatory year:

Calculate the sum of the unplanned SAIFI exclusive of both MED and excluded events for each feeder (f);

Planned Customer minutes off Supply - Including MEDs

For the regulatory year:

Calculate the sum of the planned CMI inclusive of MED for each feeder (g);

Planned Customer minutes off Supply - after removing MED

For the regulatory year:

Calculate the sum of the planned CMI exclusive of MED for each feeder (h);

Planned interruptions SAIFI - Including MEDs

For the regulatory year:

Calculate the sum of the planned SAIFI inclusive of MED for each feeder (i)

Planned interruptions SAIFI - after removing MED

For the regulatory year:

Calculate the sum of the planned SAIFI exclusive of MED for each feeder (j)

Assumptions:

N/A

Use of Estimated Information

Energy not supplied is estimated by multiplying the average consumption of interrupted customers based on their billing history by the number of customers interrupted and the duration of the interruption.

Reliability of Information

Ausgrid used two databases (OMS and NECF dashboard) to capture planned interruption data during FY20. In attempting to reconcile the information stored in each database, we observed inconsistencies that could not be reconciled. As a result, we have only used the OMS database to populate table 3.6.8 as this reflects Ausgrid management's best estimate of the planned interruptions in FY20. While we could have used the information from the NECF dashboard as well, the information stored in that database is principally based on an Ausgrid project officers' educated opinion of how long a planned interruption will take - making this data more highly estimated. This reflects that the primary purpose of the NECF dashboard is to record which customers would need to be notified for the nominated planned works under NECF requirements. The NECF dashboard is also accessible by a wider range of employees across the business and this has meant that more planned works has been entered compared to the OMS system. Also, the data fields captured in the NECF dashboard did not match the data fields used in OMS, making it difficult to combine the two datasets to achieve a consolidated list.

Template - 3.6.9 Network Reliability

Table 3.6.9 - NETWORK FEEDER RELIABILITY - PLANNED OUTAGES

Compliance with Requirements of the Notice

The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.

Source of Information

This data is sourced from two sources:

1. OMS, and the
2. NECF Dashboard

OMS

The data is taken from outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment NORD. Fields within each OMS record are entered both automatically and manually and are subject to quality assurance checks. Information for interruptions affecting single premises is sourced from Ausgrid's Customer Aided Service System (CASS). For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is reconciled into OMS post event. Following an outage, an Ausgrid officer validates the existing OMS record against the blue form or LID system report and customer call data. If the existing outage event record can be made to accurately reflect interruption details it is completed. Otherwise, the event is recreated in OMS based on switching details such that the record accurately reflects the restoration switching.

OMS outage event records include the following fields:

- Date of event
- Time of interruption
- Time of restoration
- Event trigger
- Number of Customers Interrupted (CI)
- Number of Customer Minutes Interrupted (CMI)

- Feeder ID
- Event Hierarchy
- Exclusion Flag
- Exclusion Reason

OMS automatically calculates CI and CMI by combining the following information:

- Electrical connectivity details from Ausgrid's Graphical Information System (GIS)
- Interruption and restoration steps as recorded by System Operators
- National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B).

The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic based on manually entered interruption and switching steps. SAP, CCS and B2B are used to exclude inactive and permanently disconnected customers from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI and SAIFI are also added to records within the reporting environment. The reporting environment facilitates the extraction of information using Business Objects reports.

The *Monthly and Daily Reporting - GLOBAL Ver 15.3* report generated on 09/09/2020 for the 2019/20 regulatory year is used as a data source to verify table 3.6.9. The report contains summary tables with Planned SAIDI and SAIFI values per feeder category.

NECF Dashboard

In FY20 Ausgrid has transitioned to recording planned outages using the NECF dashboard, this system provides an organizational wide interface to update planned works. The primary focus of this system is to ensure that all customers are notified appropriately before planned works are undertaken. As such, outage durations are estimated and captured at a higher level than OMS data.

To provide a cohesive dataset, data has been extracted from the NECF dashboard and consolidated with the data from the OMS/NORD system.

Methodology & Assumptions

Key elements of the methodology:

1. A Business Objects report Monthly and Daily Reporting - GLOBAL Ver 15.3 was extracted from the reporting environment on (09/09/2020) for the 2019/20 regulatory year. The report provides the

summarised results for events as required for the templates and tables described. The relevant information is transmitted to the Rosetta RIN portal via their API.

Outage event attribute	**Table 3.6.9 Planned Minutes off Supply (SAIDI)**
Planned outages SAIDI by feeder category	Planned minutes off supply (SAIDI) by feeder category

Outage event attribute	**T able 3.6.9 Planned Interruptions to Supply (SAIFI)**
Planned outages SAIFI by feeder category	Planned interruptions to supply (SAIDI) by feeder category

2. Jobs are extracted from the NECF database and joined to the NORD data at the distribution centre level, the following information is used from the NORD data:

- Daily customer counts for global network and feeder categories
- Feeder categories at the end of the FY20,
- Distribution Centres and their current network feeder (historical feeder information is not captured in NECF)

This data is processed with a Jupyter notebook to arrange the NECF data into a similar format to the data extracted from NORD.

3. The Data from 1 and 2 is added together to provide an estimated figure for the planned SAIDI and SAIFI

Due to the mismatch of data resolution between the NECF data, and the OMS data, comparison below the feeder category level is not accurate.

<u>Key assumptions used in methodology:</u>

1. All outage event attributes are correctly entered in OMS/NECF.
2. Feeder category reference tables are accurate.
3. The NMI connectivity details in GIS are correct at the time of outages, or that any errors are managed through manual processes to determine the actual customers affected by an event, or by holding out outage event records in the OUTAGES_NOT_IN_OMS table until GIS updates are received.

4. All SAIDI and SAIFI calculations are performed using daily customer counts. Ausgrid has consistently adopted this approach for the calculation of all reliability metrics because average customer counts do not result in stable metrics suitable for trend analysis due to the constant adding, removing and reconfiguring of feeders.
5. All unmetered customers are excluded from calculations.
6. All active customers are included in the calculation of reliability metrics. All inactive customers are excluded in the calculation of reliability metrics. The following assumptions regarding customer counting have been made:

Active = Energised + De-energised

Inactive = Extinct = Deactivated

De-energised (AER) = Temporary disconnection (AUSGRID)

Inactive (AER) = Permanent disconnection (AUSGRID)

(Compliant)

Use of Estimated Information

Explain circumstances where Ausgrid cannot provide input for a variable using actual information, and therefore must provide estimated information:

(i) why an estimate was required, including why it was not possible for Ausgrid to provide actual information;

Some planned outages are restored at a time different to that originally expected. A laborious manual process is required to track and record these differences compared to the planned restoration time, therefore only the estimated restoration time is recorded in the system. Significant additional labour resources or IT system upgrades would be required to efficiently capture actual restoration times for planned events.

(ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in the Notice.

The planned interruption durations are based on the original estimated restoration time which is recorded in the OMS and NECF. This is the best available consolidated information on planned outage durations. It is a conservative estimate and is estimated to increase the reported planned duration SAIDI.

(iii) if an estimate has been provided, the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in this Notice.

As above.

Reliability of Information

N/A

Template - 6.2 STPIS Reliability

Table 6.2.1 - UNPLANNED MINUTES OFF SUPPLY (SAIDI)

Table 6.2.2 - UNPLANNED INTERRUPTIONS TO SUPPLY (SAIFI)

Table 6.2.3 - UNPLANNED MOMENTARY INTERRUPTIONS TO SUPPLY (MAIFI)

Table 6.2.4 - DISTRIBUTION CUSTOMER NUMBERS

Compliance with Requirements of the Notice

The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.

Source of Information

The data is taken from the outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment NORD. Fields within each OMS record are entered both automatically and manually and are subject to quality assurance checks. Information for interruptions affecting single premises is sourced from Ausgrid's Customer Aided Service System (CASS). For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is reconciled into OMS post event. Following an outage, an Ausgrid officer validates the existing OMS record against the blue form or LID system report and customer call data. If the existing outage event record can be made to accurately reflect interruption details it is completed. Otherwise, the event is recreated in OMS based on switching details such that the record accurately reflects the restoration switching.

OMS outage event records include the following fields:

- Date of event
- Time of interruption
- Time of restoration
- Event trigger
- Number of Customers Interrupted (CI)

- Number of Customer Minutes Interrupted (CMI)
- Feeder ID
- Event Hierarchy
- Exclusion Flag
- Exclusion Reason

OMS automatically calculates CI and CMI by combining the following information:

- Electrical connectivity details from Ausgrid's Graphical Information System (GIS)
- Interruption and restoration steps as recorded by System Operators
- National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B).

The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic based on manually entered interruption and switching steps. SAP, CCS and B2B are used to exclude inactive and permanently disconnected customers from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI and SAIFI are also added to records within the reporting environment. The reporting environment facilitates the extraction of information using Business Objects reports.

The *Monthly and Daily Reporting - GLOBAL Ver 15.3* report generated on 9/09/2020 for the 2019/20 regulatory year is used as a source to verify the population of table 6.2. The report contains summary tables with SAIDI and SAIFI values. For Transmittal to Rosetta, the data has been accessed programmatically from the NORD database and updated automatically on the Rosetta API portal.

Methodology & Assumptions

A Business Objects report *Monthly and Daily Reporting - GLOBAL Ver 15.3* has been extracted from the reporting environment on 9/09/2020 for the 2019/20 regulatory year. The report provides the summarised results for events as required for the templates and tables described. All the information is transmitted to the Rosetta RIN portal via their API.

Outage event attribute	**Table 6.2.1 Unplanned Minutes off Supply (SAIDI)**
Total Unplanned SAIDI by feeder category and	Total sustained minutes off supply by feeder

global	category and whole network (a)
Total Unplanned SAIDI by feeder category and global - after removing excluded events and MED	Total sustained minutes off supply after removing excluded events (b)
Total of excluded events	Total of excluded events (a) - (b)

Outage event attribute	**Table 6.2.2 Unplanned Interruptions to Supply (SAIFI)**
Total Unplanned SAIFI by feeder category and global	Total sustained interruptions by feeder category and whole network (c)
Total Unplanned SAIFI by feeder category and global - after removing excluded events and MED	Total sustained interruptions after removing excluded events (d)
Total of excluded events by feeder category and global	Total of excluded events (c) - (d)

As the MAIFI component of the STPIS scheme does not apply to Ausgrid, in accordance with the template instructions Ausgrid is not completing Table 6.2.3 - Unplanned Momentary Interruptions to Supply (MAIFI).

Outage event attribute	**Table 6.2.4 Distribution Customer Numbers**
Customer numbers at the start of period by feeder category and global	Customer numbers at the start of period by feeder category and whole network
Customer numbers at the end of period by feeder category and global	Customer numbers at the end of period by feeder category and whole network

Use of Estimated Information

N/A

Reliability of Information

There was a large number of MED days during 2019/20 reporting period resulting in high levels of total unplanned events and excluded events.

Template - 6.6 Customer Service

Table 6.6.1 - TELEPHONE ANSWERING

Compliance with Requirements of the Notice

Using the required reporting applications, data supplied is true and correct . Extracted data is attached.

Call volumes provided are from our Emergency/Hazards lines and have excluded any major event days.

Source of Information

The Ausgrid Contact Centre reporting is captured in a number of Genesys tables from 6.30am - 10.00pm and in an Alcatel Application (CCSupervision) from 10.00pm - 6.30am.

Interactive Insights is the reporting application that combines both the Genesys and Alcatel data and provides a combined result across all queues and call types.

Methodology & Assumptions

https://www.aer.gov.au/system/files/AER%20-%20Service%20Target%20Performance%20Incentive%20Scheme%20v%202.0%20-%2014%20November%202018%20%28updated%2013%20December%202018%29.pdf

NUMBER OF CALLS AFTER REMOVING EXCLUDED EVENTS

Data for this report is extracted from Interactive Insights, which combines both the Genesys and Alcatel reporting data. The input dates are from 01/07/2019 to 30/06/2020.

Once the report has been run, a filter is applied to exclude all calls except Emergency/Hazard calls as well as declared Major Event Days (MED).

A per Page 29 of the Electricity distribution network service providers Service target performance incentive scheme Version 2.0, calls abandoned within 30 seconds have been deducted from the total calls offered.

TOTAL NUMBER OF CALLS

Data for this report is extracted from Interactive Insights, which combines both the Genesys and Alcatel reporting data. The input dates are from 01/07/2019 to 30/06/2020.

Once the report has been run, a filter is applied to exclude all calls except Emergency/Hazard calls.

A per Page 29 of the Electricity distribution network service providers Service target performance incentive scheme Version 2.0, calls abandoned within 30 seconds have been deducted from the total calls offered.

Assumptions:

N/A

Use of Estimated Information

Reliability of Information

N/A

Table 6.6.2 - INADEQUATELY SERVED CUSTOMERS

Compliance with Requirements of the Notice

The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.

Source of Information

The information provided is consistent with the requirements of this Notice unless specified in the methodology and assumptions.

Source of Information

The data is taken from outage event records located in Ausgrid's Outage Management System (OMS) and its related reporting environment NORD. Fields within each OMS record are entered both automatically and manually and are subject to quality assurance checks. Information for interruptions affecting single premises is sourced from Ausgrid's Customer Aided Service System (CASS). For other network events, supply restoration and other information is recorded by System Operators in the Sydney control room on Interruption Report Forms (blue forms), or by System Operators in the Newcastle control room on Line Impedance Data (LID) system reports, and on switching sheets. This information is reconciled into OMS post event. Following an outage, an Ausgrid officer validates the existing OMS record against the blue form or LID system report and customer call data. If the existing outage event record can be made to accurately reflect interruption details it is completed. Otherwise, the event is recreated in OMS based on switching details such that the record accurately reflects the restoration switching.

OMS outage event records include the following fields:

- Date of event
- Time of interruption
- Time of restoration
- Event trigger
- Number of Customers Interrupted (CI)
- Number of Customer Minutes Interrupted (CMI)
- Feeder ID
- Event Hierarchy

- Exclusion Flag
- Exclusion Reason

OMS automatically calculate CI and CMI by combining the following information:

- Electrical connectivity details from Ausgrid's Graphical Information System (GIS)
- Interruption and restoration steps as recorded by System Operators
- National Metering Identifier (NMI) information from SAP, Customer Care Solution (CCS) and Business to Business (B2B).

The automatic calculation of CI and CMI is based on NMIs and therefore excludes all unmetered supplies. CI and CMI calculations are automatic based on manually entered interruption and switching steps. SAP, CCS and B2B are used to exclude inactive and permanently disconnected customers from the calculation of CI and CMI. The reporting environment contains data extracted from OMS that has been cleansed to remove redundant data. Relevant calculations such as SAIDI, SAIFI and Unserved Energy are later calculated based on the extracted data.

In this year, a backcast has been created in the NORD reporting environment which applies the STPIS 2.0 rulings on the historically reported data, this has enabled Ausgrid to trend historic data according to the STPIS 2.0 rulings.

Methodology & Assumptions

This data source is closely linked to the table 3.6.8 Network feeders as the data source is based on the customers performance against the current network state. As such, customer performance over the year has been mapped to the current feeder supplying these customers, and feeder based (SAIDI/SAIFI) performance is evaluated.

To determine poor performing feeders from the Customer perspective, table 3.6.8 has been aggregated based on the feeders that have SAIDI greater than the relevant threshold. Threshold for inadequately served customers is greater than 4 times the network average for unplanned SAIDI on a three-year rolling average basis compared with a network average customer. The max, average and top five feeder SAIDIs and associated parameters are extracted from NORD and transmitted to the Rosetta portal via their API.

The SAIDI threshold has been based on a STPIS 2.0 backcast, and as it has not been specified, all data has been based on STPIS events (excluding excluded events, MEDs and Momentaries).

For further detail regarding the individual customer aggregation, please refer to BOP 3.6.8.

Use of Estimated Information

Reliability of Information

Template - 6.7 STPIS Daily Performance

Table 6.7.1 - DAILY PERFORMANCE DATA - UNPLANNED

Compliance with Requirements of the Notice

Using the required reporting applications, data supplied is true and correct. Extracted data is attached.

Call volumes provided are from our Emergency/Hazards lines and have excluded any major event days.

Source of Information

The Ausgrid Contact Centre reporting is captured in a number of Genesys tables from 6.30am - 10.00pm and in an Alcatel Application (CCSupervision) from 10.00pm - 6.30am.

Interactive Insights is the reporting application that combines both the Genesys and Alcatel data and provides a combined result across all queues and call types.

Methodology & Assumptions

Data for this report is extracted from Interactive Insights, which combines both the Genesys and Alcatel reporting data. The input dates are from 01/07/2019 to 30/06/2020.

Once the report has been run, a filter is applied to exclude all calls except Emergency/Hazard calls as well as declared Major Event Days (MED).

A per Page 29 of the Electricity distribution network service providers Service target performance incentive scheme Version 2.0, calls abandoned within 30 seconds have been deducted from the total calls offered.

Assumptions:

N/A

Use of Estimated Information

Reliability of Information

Declared Major Event Days (MED) - 26/11/2019, 20/01/2020, 23/01/2020, 8/02/2020, 9/02/2020, 10/02/2020, 18/02/2020, 19/02/2020

Template - 6.9 STPIS GSL

Table 6.9.1 - GUARANTEED SERVICE LEVELS - JURISDICTIONAL GSL SCHEME 1

Connections

Compliance with Requirements of the Notice

Source of Information

Data for connections has been sourced from a report generated in Ausgrid's SAP system. The data is attached in the linked documents as an excel spread sheet.

Methodology & Assumptions

This year the data was collected from a different SAP report based on notification and classifications. Some nomenclature entries are less than optimal but have been reviewed by staff closely associated with the work. There have been improvements in coding and descriptions across the business to improve accuracy. Confidence in the data accuracy is high.

Use of Estimated Information

The data is estimated as it cannot be guaranteed to be an exact figure. Due to the nature of connections made by Ausgrid being driven primarily by safety concerns, which restrict access to the Network by external contractors in specific scenarios i.e. PT connections, CBD pit and duct etc., there are occasions where new connections may be made as part of a larger work bundle. There is also no specific data capture for new connections made by Ausgrid.

The figures do give an accurate representation and there is no reason to expect that there would be much deviation from the estimated figure.

Reliability of Information

The GSL connections data is understood to be connections that are made by Ausgrid that do not form part of contestable connection works.

In general, Ausgrid does not carry out contestable connection work. There are however instances where safety or extenuating circumstances require Ausgrid to carry out connection work outside of the contestable market place . The data provided (149) represents such work.

Table 6.9.1 - GUARANTEED SERVICE LEVELS - JURISDICTIONAL GSL SCHEME 2

Planned interruptions

Compliance with Requirements of the Notice

The actual number of incidents captured and reported responds directly to the requirements of the RIN.

Source of Information

Information relating to the number of planned interruptions where four (4) business days' notice was not given was sourced from the NECF Breach Reporting application for the first half of FY20 . Information for the second half of FY20 was sourced from the Enablon GRC application which replaced the old NECF BRT in March 2020. The respective half yearly reports reports are attached. Please note these reports may also include details of quarterly breaches which should be ignored for the purposes of planned interruption reporting.

Methodology & Assumptions

Ongoing oversight by General Managers and Branch Managers is required to meet the company's compliance reporting obligations. The internal reporting tool to assist process owners to keep track of NECF compliance breaches & overall performance in those areas for which they are responsible was replaced in the second half of FY2020. The new Enablon GRC application is managed by the GRC team within Legal, Risk & Compliance.

The Enablon tool is now the central repository for all detailed reports on these types of breaches. The contents of the tool are based on the data required by the AER in its reporting template, together with some additional fields to provide management with more detailed information in relation to each breach, including progress with follow up actions to mitigate against recurrences.

Use of Estimated Information

Reliability of Information

Table 6.9.1 - GUARANTEED SERVICE LEVELS - JURISDICTIONAL GSL SCHEME 3

Table 6.9.2 - GUARANTEED SERVICE LEVELS - AER GSL SCHEME

Table Reliability of supply

Table Street lights

Compliance with Requirements of the Notice

Section 6.9.1 of the annual RIN reporting template requires information relating to jurisdiction GSL scheme parameters.

We are required to make payments of $25.00 for each street light fault which is not repaired within the designated time frame. The attached spreadsheet confirms the number of payment requests received and the number of payments made.

We are also required to make payments of $80.00 under the Customer Service Standards for interruptions that exceed the Duration and Frequency criteria under our Licence conditions.

Source of Information

Reliability of Supply and Streetlights

We receive an automated notification from SAP in regards to all eligible street light claims where repairs have not been carried out within the required time frame. Information of all eligible requests and payments made is recorded in our CRM and the street light payment spreadsheet.

All claims for Duration and Frequency reliability are recorded in the CRM. We also provide the information on a Quarterly basis for Ausgrid's Network Performance Reports.

Other GSL parameters

Information relating to number of new and existing connections, provided by the licence holder is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction.

Information relating to the number of connections not provided on or before the agreed date is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2019" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting - there were no connection-related GSL payments.

Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1819" report.

Methodology & Assumptions

Reliability of Supply and Streetlights

All information provided has been sourced from our dedicated data bases. Each claim is received in hard copy (claim form) and then input to the data base. Copies of all claims are also stored in TRIM.

We are then able to also export all the information from the data bases onto excel spreadsheets when/if required.

Other GSL parameters

'Number of connections made' is defined as the total number of connections provided by the Licence Holder for existing & new premises where the Licence Holder undertook the work.

Information is sourced from SAP, and analysed as per Ausgrid's - "IDO Procedure Compliance Report N3.9 (C1)" procedure instruction.

'Number of connections not made on or before agreed date' is defined as the number of connections not provided on or before the agreed date, where the connection was for a new or existing premises, and the Licence Holder undertook the work.

Information is sourced from the Network Customer Investigations Group annual "GSL Report - Financial Year to end June 2018" report. The report lists all payments under the GSL scheme; this year the only payments made related to street lighting. There were no were no connection-related GSL payments.

Information relating to the number of planned interruptions where four (4) business days' notice was not given is sourced from the NECF Breach Reporting application, with data extracted in the "NECF Breach Reporting FY1819" report.

Assumptions:

N/A

Use of Estimated Information

N/A

Reliability of Information

N/A

Template - 7.8 Avoided TUOS Payments

Table 7.8.1 - AVOIDED TUOS PAYMENTS

Compliance with Requirements of the Notice

Avoided TUoS payments are made by a DNSP in accordance with clause 5.3AA(h) of the NER (version 149), as per below.

"A Distribution Network Service Provider must pass through to a Connection Applicant the amount calculated in accordance with paragraph (i) for the locational component of prescribed TUoS services that would have been payable by the Distribution Network Service Provider to a Transmission Network Service Provider had the Connection Applicant not been connected to its distribution network".

Source of Information

The avoided TUoS reported in Table 7.8 of the Annual Reporting RIN Response 2019-20 is based on data from the SAP Financial system.

Methodology & Assumptions

The amount of avoided TUoS reported in the SAP Financial system includes both actual payments and accruals.

The amount reported is based on invoices received if available, or an estimation, which is based on either the assumed annual amount pro-rated monthly or the preliminary metered data consumption. The calculation of estimated avoided TUoS payments is derived from SAS, which applies the metered data consumption to the relevant TransGrid transmission prices.

Assumptions:

N/A

Use of Estimated Information

Estimated amounts arise for new and smaller embedded generators. Due to the unpredictable nature of these embedded generators, the payments would be small and on an irregular basis, hence the payments are estimated and finalised at the end of the financial year.

Reliability of Information

N/A

Template - 7.10 Juris Scheme

Table 7.10.1 - JURISDICTIONAL SCHEME PAYMENTS

Compliance with Requirements of the Notice

The information provided are the Jurisdictional Schemes, the Solar Bonus Scheme (SBS) and the Climate Change Fund (CCF) which are based on 6.18.7A (d) of the National Electricity Rules (version 149). These are specifically stated as the Jurisdictional schemes for NSW.

6.18.7A Recovery of jurisdictional scheme amounts

Jurisdictional schemes

(d) A scheme is a jurisdictional scheme if:

(1) the scheme is specified in paragraph (e); or

(2) the AER has determined under clause paragraph (l) that the scheme is a jurisdictional scheme,

and the AER has not determined under paragraph (u) that the scheme has ceased to be a jurisdictional scheme.

(e) For the purposes of paragraph (d)(1), the following schemes are jurisdictional schemes:

(1) schemes established under the following laws of participating jurisdictions:

(i) Electricity Feed-in (Renewable Energy Premium) Act 2008 (ACT);

(ii) Division 3AB of the Electricity Act 1996 (SA);

(iii) Section 44A of the Electricity Act 1994 (Qld);

(iv) Electricity Industry Amendment (Premium Solar Feed-in Tariff) Act 2009 (Vic);

(2) the Solar Bonus Scheme established under the Electricity Supply Act 1995 (NSW); and

(3) the Climate Change Fund established under the Energy and Utilities Administration Act 1987 (NSW).

Source of Information

The amount reported in Table 7.10 for Solar Bonus Rebate and Climate Change Fund have been sourced from SAP Financials, SAP Business Intelligence (BI) Tariff Reports and Ausgrid's Regulatory Accounting Income Statement Table 8.1.

The NSW Government's Solar Bonus Scheme was set up for a seven year period commencing 1 January 2010. Irrespective of when a customer joined, the scheme ended on 31 December 2016.

Advice is received from the Minister for Energy and Environment regarding Ausgrid's contribution to the Climate Change Fund for 2019/20

Methodology & Assumptions

In line with the definition of "Jurisdictional Scheme Payment" in Appendix F of the Regulatory Information Notice issued to Ausgrid on 3 February 2016, the amount reported in Table 7.10.1 represents the following:

Solar Bonus Rebate Scheme - the net difference between the Solar Bonus rebate paid to complying customers less the amount reimbursed via the Solar Bonus reimbursement scheme administered by Office of Environment and Heritage. The difference reported is -$185.78.

Climate Change Fund - the net difference between the amount contributed to the Climate Change Fund for 2019/20 as directed by the Minister for Energy and Environment and Gazettal Notice and the amount recovered from the Ausgrid's network use of system (NUOS) tariffs, i.e. the CCF component of the NUOS charges. The difference reported is -$4,653,708.45.

The CCF amount recorded does not include the interest or opening balance in the calculation and so does not align with the control mechanism used with the recovery of the jurisdictional schemes unders and overs account.

The annual amount reported for Solar Bonus rebate and Climate Change Fund in the Annual Reporting RIN represents both billed and accrued charges.

Assumptions:

N/A

Use of Estimated Information

N/A

Reliability of Information

N/A

Template - 7.11 DMIS DMIA

Table 7.11.1 - DMIS - PROJECTS SUBMITTED FOR APPROVAL

Compliance with Requirements of the Notice

All data in Table 7.11.1 is provided as per expenditure for one (1) DMIS project for which Ausgrid incurred costs in 2019/20. The relevant net benefit for each project is calculated in accordance with Equation 1 of the DMIS Guidelines Dec 2017.

Source of Information

Actual costs incurred are collected from individual project codes for DMIS activities in Ausgrid's SAP financial reporting system.

Project costs for Gillieston Heights were adjusted to account for unspent e-giftcards (deduction of $4,430) and purchase cost of 49 DRED devices (addition of $4,900) in order to correctly account for costs attributable to the project.

Methodology & Assumptions

The amounts claimed are those booked to the DMIS project codes in the year. Costs include hardware, installation, marketing materials, incentive payments, project management and other directly related costs

Assumptions:

N/A

Use of Estimated Information

All information is actual.

Reliability of Information

N/A

Table 7.11.2 - DMIAM - PROJECTS SUBMITTED FOR APPROVAL

Compliance with Requirements of the Notice

All data in Table 7.11.1 is provided as per expenditure for eight (8) ongoing DMIA projects for which we incurred costs in 2019/20.

Source of Information

Actual costs incurred are collected from individual project codes for DMIA activities in Ausgrid's SAP financial reporting system.

Project development costs ($38,406, 5% of total expenditure) for some activities were misallocated under the general DM Innovation project development code (Order 12920005) and were distributed across three projects in the RIN reporting: Electric Vehicle demand research (34% of allocation), Residential Battery Demand Response (VPP) (25% of allocation) and Retailer BDR (Peak Time Rebate) (41% of allocation).

Methodology & Assumptions

The amounts claimed are those booked to the DMIA project codes in the year. Costs include research and development, implementation, project management and other directly related costs.

Assumptions:

N/A

Use of Estimated Information

Costs are actual. Estimates are restricted to allocation of misallocated DMIA costs to individual projects.

Reliability of Information

N/A

Template - 7.12 Safety and Bushfire

Table 7.12.1 - SAFETY AND BUSHFIRE RELATED ASSET GROUP DEFINITIONS AND ALLOCATION BASIS

Table 7.12.2 - BUSHFIRE RELATED

Table 7.12.3 - SAFETY RELATED

Table 7.12.4 - SAFETY IMPROVEMENT OUTCOMES REPORTED TO ESV

Table 7.12.5 - RECONCILIATION OF VOLUME OF OUTCOMES REPORTED TO ESV AND AER

Compliance with Requirements of the Notice

N/A

Source of Information

N/A

Methodology & Assumptions

N/A

Use of Estimated Information

N/A

Reliability of Information

N/A

Template - 8.1 Income

Table 8.1.1 - INCOME STATEMENT

Table 8.1.1.1 - REVENUE

Table 8.1.1.2 - EXPENDITURE

Table 8.1.1.3 - PROFIT

Compliance with Requirements of the Notice

The information reported in Table 8.1.1 is consistent with the requirements of AER's Annual Regulatory Reporting RIN issue on 3 February 2016 and are derived from the audited statutory financial statements and in accordance with Ausgrid's Cost Allocation Methodology (CAM).

Source of Information

Actual data for 2019/20 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements.

Methodology & Assumptions

Revenue shown in Table 8.1 has been prepared in accordance with Ausgrid's CAM. The revenue and expenditure categories reported in Table 8.1.1.1 & Table 8.1.1. 2 are in accordance with the revenue and costs categories listed in AER's Annual Reporting RIN, Appendix B, Table 8.1.1.

Revenue and expenditure categories listed in tables 8.1.1.1 and 8.1.1.2 have been extracted from SAP via the TM1 system for 2019/20 and have been reported in accordance with the definition of Standard Control Services and Alternative Control Services as set out in the "Final AER decision - Ausgrid Distribution Determination 2019/20 to 2023/14, April 2019; Attachment 12 - Classification of Services". The information shown in the adjustment column mainly relates to the unregulated business, eliminations of intercompany transactions and reclassification of some revenue and expense categories. Detail explanation of the revenue and expenditure reported in the adjustment column is explained below.

Ausgrid

Template 8.1 - Regulatory Information Notice (RIN) - FY2019/20 - Income Statement

8.1.1 - INCOME STATEMENT	Adjustments	Note
	$0's, nominal	
8.1.1.1 - REVENUE		
Distribution revenue	-	
Cross boundary revenue	-	
Capital Contributions	(11,062)	1
Interest income	(94,772)	2
Jurisdictional scheme amounts (also known as CCF pass-through)	-	
Profit from sale of fixed assets	-	
TUOS revenue	-	
Pass through revenue (F-factor)		
Other Revenue	(139,091,102)	3
Total revenue	**(139,196,936)**	**4**
8.1.1.2 - EXPENDITURE		
TUOS expenditure	38,768,996	5
Avoided TUOS expenditure	293,703	6
Cross boundary expenditure	-	
Depreciation	(32,335,197)	7
Finance charges	1,746,335	8
Impairment losses	-	
Jurisdictional scheme amounts	-	
Loss from sale of fixed assets	(2,299,470)	9
Maintenance expenditure	176,313,387	10
Operating expenditure excluding maintenance expenditure	(243,819,037)	10
Other	(4,996)	11
Total expenditure	**(61,336,280)**	**12**
8.1.1.3 - PROFIT		
Profit/loss before tax	(77,860,656)	13
Income tax expenses (/ benefit)		
Profit after tax	**(77,860,656)**	

Explanation of adjustments

1) Capital contributions reported in the adjustment column of ($11,062) is capital contribution allocated to unregulated business comprising of the release of deferred revenue relating to government grant for the Silverwater learning centre.

2) The amount reported in the adjustment column represents interest income for unregulated business.

3) Reconciliation of other revenue.

Total other revenue adjustment of ($139,091,102) explained as per below:

Total revenue for unregulated business (excluding capital contributions and interest income)	(120,333,086)
Transmission revenue treated as revenue in the statutory accounts but offset against Transmission costs (in operating costs) in regulatory accounts	(18,758,016)
Total other revenue	**(139,091,102)**

4) Reconciliation of total revenue reported in the adjustment column of ($139,196,936).

Total revenue for unregulated business (excluding capital contributions and interest income)	(120,333,086)
Transmission revenue treated as revenue in the statutory accounts but offset against Transmission costs (in operating costs) in regulatory accounts	(18,758,016)
Capital Contributions relating to unregulated business (Silverwater government grant deferral revenue)	(11,062)
Interest income relating to unregulated business	(94,772)
Total revenue reported in the adjustment column	**(139,196,936)**

5) The adjustment relates to a notional charge from the Ausgrid transmission business to distribution business eliminated on consolidation in the FY20 statutory accounts.

6) Avoided TUOS costs relating to distribution business not separately disclosed in statutory accounts.

7) The amount reported in the adjustment column represents depreciation expenditure for unregulated business.

8) The net adjustment of $1,746,335 comprise of interest expense of $4,538,559 relating to the unregulated business offset by capitalised interest reversed for regulatory accounting purposes of $6,284,894.

9) The adjustment relates to loss from sale of assets attributed to the unregulated business.

10) The adjustment amount represents the difference between total operating expenditure reported in statutory accounts of $576,118,586 and operating expenditure reported for distribution business of $508,612,936 (which includes SCS and ACS). The total for note 10 of (67,505,650) represents the total operating expenditure for the unregulated business.

11) Other expenditure of ($4,996) is made up of Energy Light charge.

12) Reconciliation of total expenditure

Total expenditure for unregulated business	(106,683,872)
Reversal of capitalised interest not allowed to be capitalised for regulatory accounting purposes	6,284,894
Net transmission cost to the distribution business relating to Ausgrid's transmission assets eliminated in the consolidated statutory accounts	38,768,996
Embedded generation charges (reported as avoided TUOS costs in the RIN template)	293,703
Total expenditure	**(61,336,280)**

13) Reconciliation of total profit after tax

Total revenue for unregulated business	**(120,438,920)**
Expenditure for unregulated business	
Depreciation expenditure	(32,335,197)
Finance charges	(4,538,559)
Loss from sale of fixed assets	(2,299,470)
Opex	(67,505,650)
Electricity Purchases	(4,996)
Sub total for unregulated expenditure	**(106,683,872)**
Reversal of capitalised interest not allowed to be capitalised for regulatory accounting purposes	(6,284,894)
Transmission revenue treated as revenue in the statutory accounts but offset against Transmission costs (in operating costs) in regulatory accounts	(18,758,016)
Embedded generation charges (reported as avoided TUOS costs in the RIN template)	(293,703)
Net transmission cost to the distribution business relating to Ausgrid's transmission assets eliminated in the consolidated statutory accounts	(38,768,996)
Total PBT adjustment	**(77,860,656)**

Assumptions:

N/A

Use of Estimated Information

N/A as the data source is actuals

Reliability of Information

N/A

Template - 8.2 CAPEX

Table 8.2.1 - CAPEX BY PURPOSE - STANDARD CONTROL SERVICES

Compliance with Requirements of the Notice

The information provided in template 8.2 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including Appendix E and F, and the instructions in the worksheet. All tables have been completed.

Source of Information

Sources of information for this template are:

1. For actual expenditures, the data is sourced from the same BI version in Ausgrid's corporate system as used in table 2.1.1. Allocation of expenditure to the various voltage levels is based on high level financial asset classes. This may not reconcile to the breakdown provided for the Category Analysis tables (2.2.2, 2.3 (b) and 2.5) where the costs have been analysed at a more detailed level and are allocated at a project level. The detailed tables by driver have different voltage breakdowns inherent in the asset categories for each driver.
2. For CPI Annual Forecast expenditures, the data is sourced from the indexed AER Final Decision .
3. Reference: Table 8.2.1 CPI Adjusted Forecast
4. For CPI, the following assumptions are used to convert the real 13-14 figures from item b) above to CPI adjusted nominal $.

Methodology & Assumptions

1. In order to provide a 'Voltage Level' split, the 'Asset Class' attribute is also added to the original BI report that was used to derived table 2.1.1.
2. The following mapping is used to separate each 'Asset Class' to one of the four voltage levels: Sub-Transmission, High Voltage, Low Voltage or Other

Assumptions:

N/A

Use of Estimated Information

Explain circumstances where Ausgrid cannot provide input for a variable using actual information, and therefore must provide estimated information:

(i) why an estimate was required, including why it was not possible for Ausgrid to provide actual information;

Same as Table 2.1.1 (Please refer to table 2.1.1)

(ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in the Notice.

Same as Table 2.1.1 (Please refer to table 2.1.1)

In addition, Table 8.2.1 stated that:

'Each line item in this table must INCLUDE the 'capital contributions'. Total capital contributions should also be identified in the last item in the table.'

Capital contributions (i.e. gifted assets and recoverable works) are separately identified into a 'Capital contributions' line item at the bottom of Table 8.2.1.

Reliability of Information

N/A

Table 8.2.2 - CAPEX BY PURPOSE - MATERIAL DIFFERENCE EXPLANATION

Compliance with Requirements of the Notice

It is challenging to demonstrate this considering that the RIN requirements provided to Ausgrid on the 7th of March 2014 didn't cover template 8.2. Having said that, reasonable/practical assumptions are made so it is largely consistent with the information provided in Template 2.1 and other annual RIN templates.

There is an email correspondence from the AER that a difference in excess of +/-10% is considered to be material.

Source of Information

Sources of information for this template are:

1. Subject matter experts from planning side of the business.
2. Subject matter experts from delivery side of the business.
3. Subject matter experts from financial side of the business.
4. Subject matter experts from non-network side of the business.

Methodology & Assumptions

Subject matter experts within the business provide insights on the material expenditure variance.

1. The Asset Investment team provide comments on planning impacts (i.e. scope, timing, asset risks, customer requirements, etc).
2. The delivery team provide comments on delivery impacts (i.e. cost variations, timing variations, etc).
3. The financial team provide comments on financial impacts (i.e. indirect cost assessments, booking practices, capital contributions, etc).

Assumptions:

N/A

Use of Estimated Information

Explain circumstances where Ausgrid cannot provide input for a variable using actual information, and therefore must provide estimated information:

(i) why an estimate was required, including why it was not possible for Ausgrid to provide actual information;

Not applicable as table 8.2.2 have no 'variable' (i.e. commentary only).

(ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Ausgrid's best estimate, given the information sought in the Notice.

Not applicable as table 8.2.2 have no 'variable' (i.e. commentary only).

Reliability of Information

N/A

Table 8.2.3 - CAPEX OTHER

Compliance with Requirements of the Notice

The information provided in template 8.2.3 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including definitions in Appendix F. Information reported in table 8.2.3 is in accordance with the annual audited Statutory Financial Statements and Ausgrid's Cost Allocation Methodology (CAM).

Source of Information

Actual data for 2019/20 is sourced from Ausgrid's Corporate Reporting System, SAP Business Intelligence (BI). The BI system reports information directly out of SAP.

Methodology & Assumptions

Capital expenditure is identified as either relating to system assets or non-system assets. Costs incurred for system assets are directly attributed to either standard control services or alternative control services. This attribution is performed based on the asset class.

Costs incurred for non-system assets (if applicable) are either directly attributed to, or allocated between standard control services, alternative control services and/or unregulated services respectively. The attribution or allocation of capital expenditure to the relevant service category is based on the nature of the expenditure and in accordance with the CAM. The table below contains the categories of directly attributable asset classes and the service category to which the capital expenditure is attributed.

Asset class	Description	Service(s) allocated to
System assets		
System assets (excluding public lighting and metering)	Capital expenditure associated with planning, purchasing, replacing and constructing Ausgrid's electricity distribution network (excluding public lighting). Asset classes comprising system assets (excluding public lighting) include: • System land, easements and network buildings. • Sub-transmission substations, transformers, mains, operational technology and network communications. • Distribution substations, transformers and mains.	Standard control services
Public lighting system assets	Capital expenditure associated with the provision of public lighting services.	Alternative control services
Metering system assets	Capital expenditure associated with the provision of type 5 and type 6 metering services.	Alternative control services
Ancillary services assets	Capital expenditure associated with the provision of ancillary network services.	Alternative control services
Non-system assets		
Land and buildings	Capital expenditure associated with non-system land and buildings which directly and entirely supports the provision of standard control services, alternative control services or unregulated services. Directly attributed based on the purpose and use of the asset.	Standard control services, alternative control services or unregulated services
IT	Capital expenditure associated with IT infrastructure and systems which directly and entirely supports the provision of standard control services, alternative control services or unregulated services. Directly attributed based on the assessment of the business case and the divisions of the business benefiting from the project.	Standard control services, alternative control services or unregulated services
Fleet	Capital expenditure associated with fleet directly and entirely supports the provision of standard control services, alternative control services or unregulated services Directly attributed based on the purpose and use of the asset.	Standard control services, alternative control services or unregulated services

Assumptions:

There has been no change.

Use of Estimated Information

There has been no change.

Reliability of Information

There has been no change.

Table 8.2.4 - CAPEX BY ASSET CLASS

Compliance with Requirements of the Notice

The information provided in template 8.2.4 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including definitions in Appendix F. Information reported in table 8.2.4 is in accordance with the annual audited Statutory Financial Statements and Ausgrid's Cost Allocation Methodology (CAM).

Source of Information

Actual data for 2019/20 is sourced from Ausgrid's Corporate Reporting System, SAP Business Intelligence (BI). The BI system reports information directly out of SAP. Total capex numbers for Ausgrid have been verified against the Statutory Accounts. Capex does not include capital contributions. The asset classes specified in table 8.2.4 match the asset classes in Ausgrid's Roll Forward and Post-tax Revenue Model.

Methodology & Assumptions

Capital expenditure is identified as either relating to system assets or non-system assets. Costs incurred for system assets are directly attributed to either standard control services or alternative control services. This attribution is performed based on the asset class.

Capital contributions are not included as a capex addition in this RIN template 8.2.4 as the asset has been gifted to Ausgrid and there has been no funding required by Ausgrid in relation to acquiring this asset (which has been gifted).

Costs incurred for non-system assets are either directly attributed to, or allocated between standard control services, alternative control services and/or unregulated services respectively. The attribution or allocation of capital expenditure to the relevant service category is based on the nature of the expenditure and in accordance with the CAM. The table below contains the categories of directly attributable asset classes and the service category to which the capital expenditure is attributed.

Asset class	Description	Service(s) allocated to
System assets		
System assets (excluding public lighting and metering)	Capital expenditure associated with planning, purchasing, replacing and constructing Ausgrid's electricity distribution network (excluding public lighting). Asset classes comprising system assets (excluding public lighting) include: • System land, easements and network buildings. • Sub-transmission substations, transformers, mains, operational technology and network communications. • Distribution substations, transformers and mains.	Standard control services
Public lighting system assets	Capital expenditure associated with the provision of public lighting services.	Alternative control services
Metering system assets	Capital expenditure associated with the provision of type 5 and type 6 metering services.	Alternative control services
Ancillary services assets	Capital expenditure associated with the provision of ancillary network services.	Alternative control services
Non-system assets		
Land and buildings	Capital expenditure associated with non-system land and buildings which directly and entirely supports the provision of standard control services, alternative control services or unregulated services. Directly attributed based on the purpose and use of the asset.	Standard control services, alternative control services or unregulated services
IT	Capital expenditure associated with IT infrastructure and systems which directly and entirely supports the provision of standard control services, alternative control services or unregulated services. Directly attributed based on the assessment of the business case and the divisions of the business benefiting from the project.	Standard control services, alternative control services or unregulated services
Fleet	Capital expenditure associated with fleet directly and entirely supports the provision of standard control services, alternative control services or unregulated services Directly attributed based on the purpose and use of the asset.	Standard control services, alternative control services or unregulated services

Assumptions:

There has been no change.

Use of Estimated Information

N/A as based on actual financial data

Reliability of Information

There has been no change.

Table 8.2.5 - CAPITAL CONTRIBUTIONS BY ASSET CLASS

Compliance with Requirements of the Notice

The information provided in template 8.2.5 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including definitions in Appendix F. Information reported in table 8.2.5 is in accordance with the annual audited Statutory Financial Statements and Ausgrid's Cost Allocation Methodology (CAM).

Source of Information

Actual data for 2019/20 is sourced from SAP. Total capital contributions numbers for Ausgrid have been verified against Statutory Accounts. The Asset Classes specified in table 8.2.5 match the asset classes in Ausgrid's Roll Forward and Post-tax Revenue Model.

Methodology & Assumptions

Capital contributions are entered into the SAP general ledger as assets and not as capital expenditure. Capital contributions are coded in SAP as relating to either standard control services and/or alternative control services.

Capital contributions represent non-cash contributions (i.e. gifted assets) received from customers and developers, mainly towards the capital cost of electricity infrastructure connection assets. Ausgrid is responsible for the ownership and ongoing maintenance of the asset when the asset is energised. Customer funded assets are assets funded by capital contributions. These assets are separately identified in the SAP fixed asset module and are recognised when the definition of an asset is satisfied (i.e. Ausgrid gains control of the asset).

Contestable connection works relates to connecting the customer to the network which became contestable under the Electricity Supply (customer contracts) Regulations since 1997/98. Customers can choose an Accredited Service Provider to carry out the connection work for them and are required to fund the costs. These works are mainly classified into the two accreditation levels for the purpose of recognising capital contributions.

Accreditation	Type of Work	Category
Level 1	Construction of transmission and distribution works, including high and low voltage, overhead and underground reticulation and substations.	• Underground (UG) • Overhead (OH) • Substations • Public Lighting
Level 2	Service Work: Construction and/or installation of the service line interface between the distribution system and consumer terminals, including metering services.	• Disconnection and reconnection • Underground (UG) service lines • Overhead (OH) service lines • Metering and energising new installations • Installation of contestable metering

Assumptions:

There has been no change.

Use of Estimated Information

N/A as based on actual financial data

Reliability of Information

There has been no change.

Table 8.2.6 - CASH PROCEEDS FOR AUSGRID

Compliance with Requirements of the Notice

The information provided in template 8.2.6 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2 including definitions in Appendix F. Information reported in table 8.2.6 is in accordance with the annual audited Statutory Financial Statements and Ausgrid's Cost Allocation Methodology (CAM).

Source of Information

Actual data for 2019/20 is sourced from Ausgrid's Corporate Reporting System, SAP Business Intelligence (BI). The BI system reports information directly out of SAP. Total disposals (i.e. cash proceeds) for Ausgrid have been verified against Statutory Accounts. The Asset Classes specified in table 8.2.6 match the asset classes in Ausgrid's Roll Forward and Post-tax Revenue Model

Methodology & Assumptions

Cash proceeds (or disposals) by asset class were sourced from SAP. All system assets are allocated to standard control services, except for the public lighting asset class.

Non system disposals are allocated to standard control services, alternative control services and unregulated services respectively based on cost allocators. The table below listed shared capital costs and description of cost allocators.

Shared cost	Description	Service(s) allocated to	Basis of allocations (driver)	Casual/ Non-casual	Reason for allocator
Non-system land and buildings	Capital expenditure associated with non-system land and buildings which are used by Ausgrid personnel in the provision of standard control services, alternative control services and unregulated services.	• Standard control • Alternative control • Unregulated	Allocated between the relevant services on the basis of floor space weighted by premium / non-premium rent.	Causal	Reflects the strong causality between the size and value of the properties in Ausgrid's property portfolio and capital expenditure on non-system land and buildings to support Ausgrid's existing properties.
Furniture	Capital expenditure associated with furniture which is used by Ausgrid personnel in the provision of standard control services, alternative control services and unregulated services.	• Standard control • Alternative control • Unregulated	Allocated between the relevant services on the basis of FTE splits.	Causal	Reflects the strong causality between the number of staff and the need and use of furniture by Ausgrid personnel.
Plant and tools	Capital expenditure associated with plant and tools which are used by Ausgrid personnel in the provision of standard control services, alternative control services and unregulated services.	• Standard control • Alternative control • Unregulated	Allocated between the relevant services on the basis of FTE splits.	Causal	Reflects the strong causality between the number of staff and the need and use of plant and tools by Ausgrid personnel.
Fleet	Capital expenditure associated with the purchase and fit-out of vehicles.	• Standard control • Alternative control • Unregulated	Allocated between the relevant services on the basis of fleet charges which have been directly attributed to a category of service.	Causal	Reflects the strong causality between fleet costs which have been directly attributed to a category of service and the need and use of vehicles.
IT	Capital expenditure associated with IT infrastructure and systems which are used by Ausgrid personnel in the provision of standard control services, alternative control services and unregulated services.	• Standard control • Alternative control • Unregulated	Allocated between the relevant services on the basis of FTE splits.	Causal	Reflects the strong causality between the number of staff and the need and use of IT infrastructure by Ausgrid personnel.

Assumptions:

There has been no change.

Use of Estimated Information

N/A based on actual financial data

Reliability of Information

There has been no change.

Table 8.2.7 - IMMEDIATE EXPENSING OF CAPEX

Compliance with Requirements of the Notice

The information provided in template 8.2.7 has been completed in accordance with the AER RIN requirements and instructions applying to template 8.2.7.

Source of Information

1. The actual expenditure paid during the relevant year relating to decommissioning sites, removing polychlorinated biphenyls (PCB) and asbestos and remediating land, which is immediately tax deductible under relevant provisions of the Income Tax Assessment Act 1997 (Tax Act). For the avoidance of doubt, Ausgrid does not immediately deduct any actual expenditure that relates to refurbishment capex or capitalised overheads. The source of information is from actual expenditure that is allocated to certain capital projects in SAP and then allocated to the relevant regulatory asset classes using BI. This actual expenditure is consistent with:

- information provided in the Provisions 3.2.3 table under the 'other provisions amounts used other component' for both FY19 and FY20; and
- expenditure claimed as a tax deduction in Ausgrid Asset Partnership's submitted FY19 and FY20 tax returns.

2. The CPI adjustment has been left as nil as no forecast was made for these immediate expensing of capex amounts in the FY20-24 regulatory determination, as an assumption was made at that time that the immediate expensing of capex was focused on any refurbishment capex or capitalised overheads that are immediately claimed as a tax deduction. As mentioned above, Ausgrid does not immediately deduct for tax purposes any refurbished capex or capitalised overheads.

Methodology & Assumptions

The tax treatment aligns with the accounting treatment for capital expenditure such that Ausgrid does not claim immediate tax deductions for capitalised items, other than in limited circumstances i.e. expenditure incurred relating to asset related provisions (decommissioning sites, removing PCB and asbestos and remediating land), where this expenditure is immediately tax deductible under relevant provisions of the Income Tax Assessment Act.

Asset related provisions

Ausgrid has raised various asset related provisions which are summarised in the table below.

Provision	Explanation
PCB disposal	The PCB provision represents an estimate of the future disposal cost of PCB contamination at specified sites across the network.
Asset decommissioning	The asset decommissioning provision represents the NPV of forecast cashflows related to decommissioning of network assets.
Contaminated Land	The contaminated land provision related to the NPV of forecast cashflows for the remediation of contaminated land where a present obligation existed to restore the site. This provision was released in FY20 (i.e. no provision exists at 30 June 2020).
Asbestos removal	The asbestos removal provision related to the NPV of forecast future cashflows related to asbestos remediation activities. This provision was released in FY19 (i.e. no provision existed at 30 June 2019 and 30 June 2020).

The accounting, regulatory and tax treatment of these asset related provisions is noted below:

Step 1 - Asset related provision is raised (Dr Asset Cr Provision):

- The amount is recognised in the Book Fixed Asset Register (**FAR**) and depreciated over its useful life.
- No amount is treated as capex for regulatory purposes.
- No amount is treated as capex for tax purposes.
- No amount is treated as deductible for tax purposes.

Step 2 - Asset related provision is paid (Dr Provision Cr Cash)

- There is no impact to the Book FAR.
- The amount paid is treated as capex for regulatory purposes.
- No amount is treated as capex for tax purposes. Instead an immediate tax deduction is available under the relevant provisions of the Tax Act (see below).

Step 3 - Asset related provision is "reassessed" at 31 December and 30 June each year (Dr/Cr Asset Dr/Cr Provision)

- If the provision is increased, the Book FAR value increases. If the provision is decreased, the Book FAR value decreases.
- No amount is treated as capex for regulatory purposes.
- No amount is treated as capex for tax purposes.
- No amount is treated as deductible for tax purposes.

In Step 2 above, payments made against asset related provisions are capitalised for regulatory purposes.

An immediate tax deduction is claimed at this step, as available under provisions of the Income Tax Assessment Act 1997 (Tax Act) as follows:

- Section 40-755 - 'Environmental protection activities'. This section covers expenditure related to PCB disposal, asbestos removal and contaminated land.
- Sub-section 40-190(2)(b) - 'Second element of cost' i.e. expenditure incurred that is reasonably attributable to a balancing adjustment event. This section covers asset decommissioning, as expenditure incurred in decommissioning assets is included in the cost base of an asset when disposed of or retired as a 'balancing adjustment event' under Division 40 of the Tax Act.

The below table sets out the payments made against the asset related provisions in FY19 and FY20 and immediately expensed in the tax returns, together with the provision balances as at 30 June 2020. The FY19 and FY20 payments have been allocated to the appropriate regulatory asset class within the workbooks.

Provision	FY19	FY20	Provision balance at 30 June 2020
PCB disposal	$455,938	$346,971	$18,451,244
Asset decommissioning	$3,338,971	$3,682,624	$24,086,937
Contaminated Land	$2,339,196	$Nil	$Nil
Asbestos removal	$1,087,202	$Nil	$Nil
Total	**$7,221,307**	**$4,029,595**	**$42,538,180**

Other matters

Ausgrid currently has no intention of changing its tax policy on immediate expensing of capital expenditure.

Ausgrid did not forecast any amounts relating to the immediate expensing of capex in its FY20-24 regulatory determination. An assumption was made at that time that the immediate expensing of capex was focused on any refurbishment capex of capitalised overheads that are immediately claimed as a tax deduction. As mentioned above, Ausgrid does not immediately deduct for tax purposes any refurbished capex or capitalised overheads.

Use of Estimated Information

N/A

Reliability of Information

N/A

Template - 8.4 OPEX

Table 8.4.1 - OPERATING & MAINTENANCE EXPENDITURE - BY PURPOSE

Compliance with Requirements of the Notice

Operating expenditure shown in Table 8.4.1 has been prepared in accordance with Ausgrid's CAM and aligns to operating expenditure categories reported in Ausgrid's 2019-24 Regulatory Proposal. Ausgrid's CAM and 2019-24 Regulatory proposal are in compliance with RIN.

Source of Information

Actual data for 2019/20 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements.

Methodology & Assumptions

Operating expenditure shown in Table 8.4.1 has been prepared in accordance with Ausgrid's CAM and aligns to operating expenditure categories reported in Ausgrid's 2019-24 Regulatory Proposal. Operating expenditure categories include the following:

- Contact Centre
- Customer Operations
- Data Operations
- Engineering, Planning & Project Management
- Finance Function
- Information Communication & Technology
- Insurance
- Management
- Metering
- System Control
- Network maintenance
- Demand Management
- Operational Technology
- Other
- Property Management

- Training & Development

Costs relating to operating expenditure categories listed above have been extracted from SAP via the TM1 for FY 2020/24 according to profit centre mapping for each operating expenditure category for standard control and alternative control services.

Cost objects aggregate to form a profit centre which identifies the division in Ausgrid for operating and capital expenditure incurred.

Profit centres are grouped into different divisions that reflect Ausgrid's organisational structure and are used for reporting purposes only. Costs incurred for operations work are directly attributed to, or allocated between, standard control services, alternative control services and/or unregulated services respectively. This is based on the nature of the expenditure and in accordance with the CAM. Operating expenditure attributed and/or allocated to standard control services is further disaggregated between distribution standard control services and transmission standard control services. Operating costs attributed to alternative control services are further disaggregated between public lighting, metering, ancillary metering related and ancillary connection related service. Costs are allocated between categories of service according to cost objects in SAP. Cost objects are the lowest level at which transactions are aggregated in SAP. Cost objects aggregate to form a profit centre which identifies the division in Ausgrid. The table attached below outlines cost objects utilised by Ausgrid.

Cost Object Description

Project specific cost objects	
Network activities and Work Breakdown Structure ("WBS") elements	Network activities and WBS elements are used to collect costs related to operational and capital projects. Costs recorded and posted to these cost objects combine to provide the total cost for a specific project.
Plant maintenance work orders	Plant maintenance work orders are used to collect costs related to system maintenance and service processing. These cost objects are predominantly operational in nature with the exception of one particular plant maintenance order type that captures minor capital expenditure.
Service orders	Service orders are used to collect costs related to customer service work (external or third party activities). These cost objects are part of total business operating expenditure.
Other cost objects	
Internal orders	Internal orders are used to collect, monitor and settle direct and indirect costs at a lower level for relatively uncomplicated activities. These cost objects are part of operating expenditure. Each internal order is linked to a cost centre upon creation.
Cost Centre	Cost centres are business units that perform or engage in specific types of work. Cost centres enable Ausgrid to capture costs according to their source within the organisation.

The operating expenditure categories are consistent between alternative control services and standard control services and agree to the Ausgrid Regulatory Proposal for 2020-24.

Forecast Opex is sourced from the AER Final decision relating to Ausgrid's 2020-24 Regulatory Proposal

Assumptions:

N/A

Use of Estimated Information

Reliability of Information

Table 8.4.2 - OPERATING & MAINTENANCE EXPENDITURE - BY PURPOSE - MARGINS ONLY

Compliance with Requirements of the Notice

Operating expenditure shown in Table 8.4.2 has been prepared in accordance with Ausgrid's CAM and aligns to operating expenditure categories reported in Ausgrid's 2019-24 Regulatory Proposal. Ausgrid's CAM and 2019-24 Regulatory proposal are in compliance with RIN.

Source of Information

Actual data for 2019/20 has been based on an extraction of actual financial data directly or via TM1 from our SAP financial system (Ausgrid's financial accounting and reporting system). The TM1 system is used to report the line of business view of the financial information. Ausgrid also has in place finance policies and procedures, a centralised finance function and qualified employees who are able to manage the requirements

Methodology & Assumptions

Operating expenditure shown in Table 8.4.2 has been prepared in accordance with Ausgrid's CAM and aligns to operating expenditure categories reported in table 8.4.1 Opex for SCS and ACS. This represents transactions with Ausgrid affiliated entity Plus ES.

Costs relating to operating expenditure categories listed in 8.4.1 have been extracted from SAP via the TM1 for FY 2019/20 according to profit centre mapping for each operating expenditure category for standard control and alternative control services.

Cost objects aggregate to form a profit centre which identifies the division in Ausgrid for operating and capital expenditure incurred.

Profit centres are grouped into different divisions that reflect Ausgrid's organisational structure and are used for reporting purposes only. Costs incurred for operations work are directly attributed to, or allocated between, standard control services, alternative control services and/or unregulated services respectively. This is based on the nature of the expenditure and in accordance with the CAM. Operating expenditure attributed and/or allocated to standard control services is further disaggregated between distribution standard control services and transmission standard control services. Operating costs attributed to alternative control services are further disaggregated between public lighting, metering, ancillary metering related and ancillary connection related service. Costs are allocated between categories of service according to cost objects in SAP. Cost objects are the lowest level at which transactions are aggregated in SAP. Cost objects aggregate to form a profit centre which identifies the division in Ausgrid. The table attached below outlines cost objects utilised by Ausgrid.

Cost Object Description

Project specific cost objects	
Network activities and Work Breakdown Structure ("WBS") elements	Network activities and WBS elements are used to collect costs related to operational and capital projects. Costs recorded and posted to these cost objects combine to provide the total cost for a specific project.
Plant maintenance work orders	Plant maintenance work orders are used to collect costs related to system maintenance and service processing. These cost objects are predominantly operational in nature with the exception of one particular plant maintenance order type that captures minor capital expenditure.
Service orders	Service orders are used to collect costs related to customer service work (external or third party activities). These cost objects are part of total business operating expenditure.
Other cost objects	
Internal orders	Internal orders are used to collect, monitor and settle direct and indirect costs at a lower level for relatively uncomplicated activities. These cost objects are part of operating expenditure. Each internal order is linked to a cost centre upon creation.
Cost Centre	Cost centres are business units that perform or engage in specific types of work. Cost centres enable Ausgrid to capture costs according to their source within the organisation.

The operating expenditure categories are consistent between alternative control services and standard control services and agree to the Ausgrid Regulatory Proposal for 2019-24.

Use of Estimated Information

Reliability of Information

Table 8.4.3 - OPERATING & MAINTENANCE EXPENDITURE - EXPLANATION OF MATERIAL DIFFERENCE

Compliance with Requirements of the Notice

Reasons for variances have been provided where the variance is +/- 10% or higher as per RIN guidelines

Source of Information

Methodology & Assumptions

Reasons for variances have been mentioned in the Template 8.4.3 where the variance is +/- 10% or higher as per RIN guidelines

Use of Estimated Information

Reliability of Information