AER Annual RIN

Powercor Australia Ltd

Basis of Preparation documents

Financial Templates

30 April 2015

Table of Contents

Contents

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	1a. Income Statement
Table name	**Table 1. Income Statement**
Variable name	Distribution Revenue, TUOS Revenue, Cross boundary revenue, Jurisdictional Scheme amounts, Profit from sale of Fixed Assets, Customer Contributions, Interest Income, Revenue from use of RAB assets for non-SCS purposes, Other Revenue, TUOS costs, Cross boundary costs, Jurisdictional Scheme amounts, Maintenance, Operating Expenses, Depreciation, Finance Charges, Loss from sale of Fixed Assets, Impairment Losses, Costs from use of RAB assets for non SCS purposes, Other, Income Tax Expenses/(Benefit)
BOP ID	ANFPAL 1aBOP1

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements:
Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response:
All revenue and expenditures have been reported in accordance with the requirements of the RIN and are:
- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.

- Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables: Distribution Revenue, TUOS Revenue, Cross boundary revenue, Jurisdictional Scheme amounts, Profit from sale of Fixed Assets, Customer Contributions, Other Revenue, TUOS costs, Cross boundary costs, Jurisdictional Scheme amounts, Loss from sale of Fixed Assets, Impairment Losses, Other, Revenue from use of RAB assets for non-SCS purposes, Costs from use of RAB assets for non SCS purposes
- The data for the categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables: Maintenance
  • Refer to Maintenance BOP (ANPAL6aBOP1)

Variables: Operating Expenses
  • Refer to Operating Activities BOP (ANPAL8aBOP1)

Variables: Depreciation
  • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system for Capex.

  • The Depreciation RAB balance has been sourced from the current roll forward model.

Variables: Interest Income, Finance Charges, Debt Raising Costs
  • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system for Capex.

The RAB balance has been sourced from the current roll forward model.
Variables: Income Tax Expenses/(Benefit)
  • Utilises all sources as mentioned above to establish profit before tax.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Distribution Revenue, TUOS Revenue, Cross boundary revenue, Jurisdictional Scheme amounts, Profit from sale of Fixed Assets, Customer Contributions, Interest Income, Other Revenue, TUOS costs, Cross boundary costs, Jurisdictional Scheme amounts, Finance Charges, Loss from sale of Fixed Assets, Impairment Losses, Other, Revenue from use of RAB assets for non-SCS purposes, Costs from use of RAB assets for non SCS purposes) • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs & revenues between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Maintenance • Refer to Maintenance BOP (ANPAL6aBOP1) **Variables:** Operating Expenses • Refer to Operating Activities BOP (ANPAL8aBOP1) **Variables:** Depreciation • The Depreciation balance has been calculated using the methodology and assumptions consistent with the published AER RAB roll forward model. • The adjustment between statutory and regulatory disclosures relates to the differing methodologies on which depreciation is calculated. These differences are summarised below: 1) For regulatory purposes the asset base is revalued for inflation 2) Certain assets are treated as capex for statutory purposes though not for regulatory

purposes. I.e. ACS Capex where revenues are recovered directly from the customer.

Variables: Interest Income, Finance Charges, Debt Raising Costs
- The RAB balance has been calculated using the methodology and assumptions consistent with the published AER roll forward model.

- Statutory balances for each of these variables have been apportioned using the ratio of the RAB balances between each of the regulatory segments. Note, the RAB balances are only used to allocate the statutory balances and thus are not used to derive the above listed variables.

Variables: Income Tax Expenses/(Benefit)
- Apportions income tax expense as reported in the Statutory Accounts based on the ratio of profit before tax disclosed per regulatory segment in the Income Statement.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	2. Demand and Revenue
Table name	Table 1 Standard Control Services Revenue - Current Year
	Table 2 Standard Control Services Revenue - Prior Year
Variable name	Amount of Electricity Distributed (GWh), Distribution Revenue
BOP ID	ANFPAL 2BOP2(A)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All revenue figures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Amount of Electricity Distributed (GWh), Distribution Revenue   • The volume data for the tariff categories has been sourced from CISO/V.   • Revenue data is calculated based on SAP extracts as per section C .

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Amount of Electricity Distributed (GWh), Distribution Revenue • The CISO/V system is used to extract the billing and volume information required by tariff category and charging parameters to derive the amount of electricity distributed. • The process for calculating Distribution Revenue ($) is predominantly Tariff X Volume however revenue accruals exist from timing differences in billing. Distribution Revenue for each tariff category is thus calculated as Network Revenue (NUoS) less Transmission Costs (TUoS) less PFIT. These three revenue figures agree directly to SAP. • Calculating Distribution Revenue as NUoS less TUoS less PFiT ensures the total revenue agrees to Finance's end of year tariff report. The end of year Finance report can be agreed to SAP. • Prior year data reported as per 2013 audited regulatory accounts.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	2. Demand and Revenue
Table name	**Table 3 AMI - Current Year** **Table 4 AMI - Prior Year** **Table 5 Public lighting- Current Year** **Table 6 Public lighting - Prior Year**
Variable name	Number of Meters, Metering Revenue, Number of Lights, Public Lighting Revenue
BOP ID	ANFPAL 2BOP2(B)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Metering Revenue, Public Lighting Revenue • The data for the revenue categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables:** Number of Meters, Number of Lights • The CISO/V system is used to extract the information required by category

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Metering Revenue, Public Lighting Revenue • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Number of Meters, Number of Lights • CISO/V is used to extract and report the information required by category and regulatory segment.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3a. Capex Total
Table name	**Table 1: Standard Control Services - capex by purpose by voltage level**
Variable name	Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non-network general – other, Metering – Non AMI.
BOP ID	ANFPAL 3aBOP3(A)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements:
Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response:
All expenditures have been reported in accordance with the requirements of the RIN and are:
- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.

- Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables:
Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables Forecast (Standard Control Services):
Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables Forecast (Standard Control Services):** Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3a. Capex Total
Table name	Table 3: Capex by asset class
Variable name	Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated.
BOP ID	ANFPAL 3aBOP3(B)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Subtransmission, Distribution system assets, Metering, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Unregulated   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   **Variables:** Public Lighting, Negotiated   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the

audited statutory accounts for Powercor.

- Pole inventory data has been sourced from GIS.

Variables: AMI
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables Forecast:
Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

Variables Movements in Provisions:
Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Subtransmission, Distribution system assets, Metering, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Unregulated • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Public Lighting, Negotiated • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Public Lighting capital expenditure is allocated between Energy Efficient, Non-efficient and Negotiated based on the number of lights. **Variables:** AMI • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • In order to separate remote meter reconfiguration expenditure and bring-forward fee from

AMI capex, revenue volumes billed to customers are multiplied by the internal labour rate in order to identify the total cost of the service. Having established the cost of remote meter reconfiguration and bring-forward fee, the expenditure is removed from AMI capex and reported as AMI opex in accordance with the cost allocation methodology.

Variables Forecast:
Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

Variables Movements in Provisions:
Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated
- The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

- Movements in provisions are allocated to capex based on the portion of labour that is capitalised, identified by a SAP cost element mapping. The provision movements allocated to capex are then pro rated across the asset classes based on capital expenditure for those classes.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3a. Capex Total
Table name	Table 4: Other Capex
Variable name	Accumulation Meters, Manually read interval meters, Remotely read interval meters, AMI communication, Metering data services (IT), Metering data services (other), Public Lighting – energy efficient, Public Lighting – non energy efficient, Other – fee based services, Other – quoted services, Negotiated services, Unregulated services.
BOP ID	ANFPAL 3aBOP3(C)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Accumulation Meters, Manually read interval meters, Metering data services (IT), Metering data services (other), Other – fee based services, Other – quoted services, Unregulated services   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   **Variables:** Public Lighting – energy efficient, Public Lighting – non energy efficient, Negotiated services   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the

audited statutory accounts for Powercor.

- Pole inventory data has been sourced from GIS.

Variables: Remotely read interval meters, AMI communication
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables Forecast:
Accumulation Meters, Manually read interval meters, Remotely read interval meters, AMI communication, Metering data services (IT), Metering data services (other), Public Lighting – energy efficient, Public Lighting – non energy efficient, Other – fee based services, Other – quoted services, Negotiated services, Unregulated services
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Accumulation Meters, Manually read interval meters, Metering data services (IT), Metering data services (other), Other – fee based services, Other – quoted services, Negotiated services • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Public Lighting – energy efficient, Public Lighting – non energy efficient, Negotiated services • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Public Lighting capital expenditure is allocated between Energy Efficient, Non-efficient and Negotiated based on the number of lights. **Variables:** Remotely read interval meters, AMI communication • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • In order to separate remote meter reconfiguration expenditure and bring-forward fee from AMI capex, revenue volumes billed to customers are multiplied by the internal labour rate in order to identify the total cost of the service. Having established the cost of remote meter reconfiguration and bring-forward fee, the expenditure is removed from AMI capex and reported as AMI opex in accordance with the cost allocation methodology. **Variables Forecast:**

	Accumulation Meters, Manually read interval meters, Remotely read interval meters, AMI communication, Metering data services (IT), Metering data services (other), Public Lighting – energy efficient, Public Lighting – non energy efficient, Other – fee based services, Other – quoted services, Negotiated services, Unregulated services
	• Forecast expenditure has been sourced from the 2011-15 distribution redetermination

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**3a. Capex Total**
Table name	**Table 5: Customer Contributions by asset class**
Variable name	Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated.
BOP ID	ANFPAL 3aBOP3(D)

A.   Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B.   Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3a. Capex Total
Table name	Table 6: Disposals by asset class
Variable name	Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated.
BOP ID	ANFPAL 3aBOP3(E)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3b. Capex Margin
Table name	**Table 1: Standard Control Services - capex by purpose by voltage level**
Variable name	Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI.
BOP ID	ANFPAL 3bBOP4(A)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:**   Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   **Variables Forecast (Standard Control Services):**   Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI   • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables Forecast (Standard Control Services):** Reinforcement, New customer connection, Reliability & quality maintained, Environmental/Safety & legal, SCADA/Network control, Non network general – IT, Non network general – other, Metering – Non AMI • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3b. Capex Margin
Table name	Table 3: Capex by asset class
Variable name	Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated.
BOP ID	ANFPAL 3bBOP4(B)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements:
Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response:
All expenditures have been reported in accordance with the requirements of the RIN and are:

- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.

- Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables: Subtransmission, Distribution system assets, Metering, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Unregulated
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables: Public Lighting, Negotiated
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the

audited statutory accounts for Powercor.

- Pole inventory data has been sourced from GIS.

Variables: AMI
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables Forecast:
Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Subtransmission, Distribution system assets, Metering, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Unregulated • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Public Lighting, Negotiated • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Public Lighting capital expenditure is allocated between Energy Efficient, Non-efficient and Negotiated based on the number of lights. **Variables:** AMI • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables Forecast:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3b. Capex Margin
Table name	Table 4: Other Capex
Variable name	Accumulation Meters, Manually read interval meters, Remotely read interval meters, AMI communication, Metering data services (IT), Metering data services (other), Public Lighting – energy efficient, Public Lighting – non energy efficient, Other – fee based services, Other – quoted services, Negotiated services, Unregulated services.
BOP ID	ANFPAL 3bBOP4(C)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Accumulation Meters, Manually read interval meters, Metering data services (IT), Metering data services (other), Other – fee based services, Other – quoted services, Unregulated services • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables:** Public Lighting – energy efficient, Public Lighting – non energy efficient, Negotiated services • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the

audited statutory accounts for Powercor.

- Pole inventory data has been sourced from GIS.

Variables: Remotely read interval meters, AMI communication
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables Forecast:
Accumulation Meters, Manually read interval meters, Remotely read interval meters, AMI communication, Metering data services (IT), Metering data services (other), Public Lighting – energy efficient, Public Lighting – non energy efficient, Other – fee based services, Other – quoted services, Negotiated services, Unregulated services
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Accumulation Meters, Manually read interval meters, Metering data services (IT), Metering data services (other), Other – fee based services, Other – quoted services, Unregulated services • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Public Lighting – energy efficient, Public Lighting – non energy efficient, Negotiated services • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Public Lighting capital expenditure is allocated between Energy Efficient, Non-efficient and Negotiated based on the number of lights. **Variables:** Remotely read interval meters, AMI communication • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables Forecast:** Accumulation Meters, Manually read interval meters, Remotely read interval meters, AMI communication, Metering data services (IT), Metering data services (other), Public Lighting – energy efficient, Public Lighting – non energy efficient, Other – fee based services, Other – quoted services, Negotiated services, Unregulated services • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

D.   Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	3b. Capex Margin
Table name	**Table 5: Customer Contributions by asset class**
Variable name	Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated.
BOP ID	ANFPAL 3bBOP4(D)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**3b. Capex Margin**
Table name	**Table 6: Disposals by asset class**
Variable name	Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated.
BOP ID	ANFPAL 3bBOP4(E)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response:
All expenditures have been reported in accordance with the requirements of the RIN and are:
  • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.
 	
  • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. **Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))**

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity raising costs, AMI, Victorian Bushfires Royal Commission (VBRC), Alternative control fee and quoted services, Negotiated, Unregulated • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

D. **Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))**

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	5. Capex Tax
Table name	**Table 1: Tax standard lives and Capex Additions - Standard control services**
Variable name	Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity Raising Costs.
BOP ID	ANFPAL 5BOP5(A)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity Raising Costs • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables Tax standard lives:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity Raising Costs • Tax standard lives derived from 2014 roll-forward model

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity Raising Costs • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables Tax standard lives:** Subtransmission, Distribution system assets, Metering, Public Lighting, SCADA/Network control, Non network – IT, Non network – other, Equity Raising Costs • Tax standard lives derived from 2014 roll-forward model

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	5. Capex Tax
Table name	**Table 2: Standard control services – excl metering**
Variable name	Demand related capital expenditure, Replacement expenditure (Group 1), Replacement expenditure (Group 2), Replacement expenditure (Group 3), Environmental/Safety & Legal, SCADA/Network control, Non-network general assets – IT, Non-network general assets – Other, Capitalised Finance Charges.
BOP ID	ANFPAL 5BOP5(B)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:**   Demand related capital expenditure, Replacement expenditure (Group 1), Replacement expenditure (Group 2), Replacement expenditure (Group 3), Environmental/Safety & Legal, SCADA/Network control, Non-network general assets – IT, Non-network general assets – Other, Capitalised Finance Charges   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Demand related capital expenditure, Replacement expenditure (Group 1), Replacement expenditure (Group 2), Replacement expenditure (Group 3), Environmental/Safety & Legal, SCADA/Network control, Non-network general assets – IT, Non-network general assets – Other, Capitalised Finance Charges • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	5. Capex Tax
Table name	Table 3: Metering
Variable name	Meters and transformers (Group 1), Meters and transformers (Group 2), IT, Communications, Other, Capitalised Finance Charges.
BOP ID	ANFPAL 5BOP5(C)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements:
Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response:
All expenditures have been reported in accordance with the requirements of the RIN and are:
- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.

- Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables: Meters and transformers (Group 2), IT, Other, Capitalised Finance Charges
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables: Meters and transformers (Group 1), Communications
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Meters and transformers (Group 2), IT, Other, Capitalised Finance Charges - The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Meters and transformers (Group 1), Communications - The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. - In order to separate remote meter reconfiguration expenditure and bring-forward fee from AMI capex, revenue volumes billed to customers are multiplied by the internal labour rate in order to identify the total cost of the service. Having established the cost of remote meter reconfiguration and bring-forward fee, the expenditure is removed from AMI capex and reported as AMI opex in accordance with the cost allocation methodology.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	6a. Maintenance Costs total
Table name	Table 1: Maintenance expenditure
Variable name	Routine, Condition based, Emergency, SCADA/Network Control, Other – Standard Control Services, AMI, Public Lighting, Alternative control – other, Negotiated Services, Unregulated Services.
BOP ID	ANFPAL 6aBOP6

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** SCADA/Network Control, Other – Standard control services, AMI, Negotiated Services, Unregulated Services • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables:** Public Lighting • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

- Pole inventory data is sourced from GIS.

Variables: Routine, Condition based, Emergency
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables: Alternative control – other
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Power.

- CISO\V Billing system – Search based on contracts NMI (National Metering Identifier) to provide tariff information

- Marginal cost of reinforcement analysis – customer contribution model based on an approved 2010 sample of completed projects expenditure and adjusted for CPI

- RAB replacement value – taken from 2004 RAB uplifted for CPI

Variables Forecast (Standard Control Services):
Routine, Condition based, emergency, SCADA/Network Control, Other – Standard Control Services
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** SCADA/Network Control, Other – Standard control services, AMI, Negotiated Services, Unregulated Services • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Public Lighting • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Public Lighting Maintenance is allocated between Energy Efficient and Non-efficient based on the number of lights. • In order to separate public lighting pole inspection costs from total asset inspection within the distribution business, pole numbers have been extracted from GIS for both fire and non-fire areas. In order to identify the number of poles inspected in the current year an assumption has been made that poles in non-fire prone areas are inspected every 5 years and poles in fire prone areas are inspected every 2.5 years based on compliance obligations. Having established the number of poles inspected in the year, total poles

inspected during the year are multiplied by unit rates specified in asset inspection contract.

Variables: Alternative control – other
- The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

- In order to identify costs relating to reserve feeder, that are not readily available from SAP, the following methodology has been applied to separate reserve feeder from Routine, Condition based and Emergency maintenance.

  o Apply a marginal cost of reinforcement to the total demand of Kilo Volt Amps (kva's) for reserve feeder contracts to calculate a total reinforcement cost. Then apply the maintenance percentage which is calculated by taking current years maintenance expenditure divided by the current years RAB adjusted for CPI.

Variables: Routine, Condition based, Emergency
- The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

- Note: This expenditure is materially sourced from SAP. The only factor impacting reporting of these costs is where amounts have been identified, as above, for asset inspection public lighting and reserve feeder ACS costs within cost elements associated with these activities due to the organisations accounting structure not readily separating these functions.

Variables Forecast (Standard Control Services):
Routine, Condition based, emergency, SCADA/Network Control, Other – Standard Control Services
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	The organisations accounting structure does not readily capture costs relating to reserve feeder or public lighting inspections at the required level of detail.

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	**Variables:** Public Lighting • The organisations accounting structure does not readily capture public lighting inspection costs at the required level of detail. Therefore in order to identify the number of poles inspected in the current year an assumption has been made that poles in non-fire prone areas are inspected every 5 years and poles in fire prone areas are inspected every 2.5

	years based on compliance obligations. **Variables:** Alternative control – other • The organisations accounting structure does not readily capture costs relating to reserve feeder. The methodology as explained in section C has been applied using actual data variables in order to estimate the implied cost of reserve feeder.

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**6b. Maintenance Costs margin**
Table name	**Table 1: Maintenance expenditure**
Variable name	Routine, Condition based, Emergency, SCADA/Network Control, Other – Standard Control Services, AMI, Public Lighting, Alternative control – other, Negotiated Services, Unregulated Services.
BOP ID	ANFPAL 6bBOP7

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Routine, Condition based, Emergency, SCADA/Network Control, Other – Standard control services, AMI, Alternative control – other, Negotiated Services, Unregulated Services   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   **Variables:** Public Lighting   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

- Pole inventory data is sourced from GIS.

Variables Forecast (Standard Control Services):
Routine, Condition based, emergency, SCADA/Network Control, Other – Standard Control Services
- Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Routine, Condition based, Emergency, SCADA/Network Control, Other – Standard control services, AMI, Alternative control – other, Negotiated Services, Unregulated Services • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Note: This expenditure is materially sourced from SAP. The only factor impacting reporting of these costs is where amounts have been identified, as below, for asset inspection public lighting within cost elements associated with these activities due to the organisations accounting structure not readily separating these functions. **Variables:** Public Lighting • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Public Lighting Maintenance is allocated between Energy Efficient and Non-efficient based on the number of lights. • In order to separate public lighting pole inspection costs from total asset inspection within the distribution business, pole numbers have been extracted from GIS for both fire and non-fire areas. In order to identify the number of poles inspected in the current year an assumption has been made that poles in non-fire prone areas are inspected every 5 years and poles in fire prone areas are inspected every 2.5 years based on compliance obligations. Having established the number of poles inspected in the year, total poles inspected during the year are multiplied by unit rates specified in asset inspection contract. **Variables Forecast (Standard Control Services):** Routine, Condition based, emergency, SCADA/Network Control, Other – Standard Control Services • Forecast expenditure does not include related party margins.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	The organisations accounting structure does not readily capture public lighting inspection costs at the required level of detail.

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	**Variables:** Public Lighting • The organisations accounting structure does not readily capture public lighting inspection costs at the required level of detail. Therefore in order to identify the number of poles inspected in the current year an assumption has been made that poles in non-fire prone areas are inspected every 5 years and poles in fire prone areas are inspected every 2.5 years based on compliance obligations.

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	8a. Operating Activities - total
Table name	Table 1: Operating charges and costs
Variable name	Designated Pricing Proposal Charges, Jurisdictional Scheme Amounts, Operating Costs
BOP ID	ANFPAL 8aBOP8

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Designated Pricing Proposal Charges, Jurisdictional Scheme Amounts   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   **Variables:** Operating Costs   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   **Variables Forecast**   • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Designated Pricing Proposal Charges, Jurisdictional Scheme Amounts • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Operating Costs • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • AMI operating costs have adjusted for the following: ○ In order to separate remote meter reconfiguration expenditure and bring-forward fee from AMI capex, revenue volumes billed to customers are multiplied by the internal labour rate in order to identify the total cost of the service. Having established the cost of remote meter reconfiguration and bring-forward fee, the expenditure is removed from AMI capex and reported as AMI opex in accordance with the cost allocation methodology. • Total costs relating to Special Reading activities are allocated to AMI and ACS based on revenue split between Re-Energisation, De-Energisation, Special Reads, Remote Re-energisations & Remote De-energisations. The allocation is based on the assumption that the revenue split is reflective of the underlying costs of performing the services. **Variables Forecast** • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	8b. Operating Activities - margin
Table name	Table 1: Operating charges and costs
Variable name	Designated Pricing Proposal Charges, Jurisdictional Scheme Amounts, Operating Costs
BOP ID	ANFPAL 8bBOP9

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Designated Pricing Proposal Charges, Jurisdictional Scheme Amounts • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables:** Operating Costs • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables Forecast** • Forecast expenditure has been sourced from the 2011-15 distribution redetermination

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Designated Pricing Proposal Charges, Jurisdictional Scheme Amounts • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Operating Costs • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Corporate overheads are indirectly allocated based on expenditure, under the assumption that Corporate Overheads are incurred at the same rate as Expenditure. The related party margins have been allocated to these activities based on the indirect overhead applied. **Variables Forecast** • Forecast expenditure sourced from the 2011-15 distribution redetermination does not include related party margins.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	Forecast expenditure sourced from the 2011-15 distribution redetermination does not include related party margins.

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	13. Avoided Cost Payments
Table name	Table 1: Avoided Cost Payments
Variable name	Embedded generators, Related party embedded generators, customers, Avoided TUOS
BOP ID	ANFPAL 13BOP10

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Embedded generators, Related party embedded generators, customers, Avoided TUOS   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   • Quantities are sourced from existing vendor agreements/invoices received from vendors.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Embedded generators, Related party embedded generators, customers, Avoided TUOS • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. • Quantities have been sourced from invoices and vendor agreements relating to embedded generators.

D.   Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**14. Alternative Control Services and Other Services**
Table name	**Table 1: Alternative Control Services and Other Services**
Variable name	**Fee Based:** Meter investigation, Meter testing, De-energisation of existing connections, Energisation of existing connections, Special meter reading, Wasted attendance, Service truck visits, Reserve feeder, PV installation, Routine connections for customers below 100 amps **N/A Activities:** Re-test of type 5 & 6 metering installations, Operation, repair, replacement and maintenance of DNSP public lighting assets, Fault response, Temporary disconnect/reconnect services, Temporary supply services, Remote meter re-configuration, Remote de-energisation, Remote re-energisation
BOP ID	ANFPAL 14BOP11

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements:
Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response:
All expenditures have been reported in accordance with the requirements of the RIN and are:

- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.

- Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables: Meter investigation, Meter testing, Wasted attendance, Service truck visits, PV installation, Routine connections

- The data for the revenue & expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables: De-energisation of existing connections, Energisation of existing connections, Special meter

reading
- The data for the revenue & expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables: Reserve Feeder
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Power.

- CISO\V Billing system – Search based on contracts NMI (National Metering Identifier) to provide tariff information

- Marginal cost of reinforcement analysis – customer contribution model based on an approved 2010 sample of completed projects expenditure and adjusted for CPI

- RAB replacement value – taken from 2004 RAB uplifted for CPI

N/A Activities: Re-test of type 5 & 6 metering installations, Operation, repair, replacement and maintenance of DNSP public lighting assets, Fault response, Temporary disconnect/reconnect services, Temporary supply services, Remote meter re-configuration, Remote de-energisation, Remote re-energisation
- The data for the revenue & expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Meter investigation, Meter testing, Wasted attendance, Service truck visits, PV installation, Routine connections • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** De-energisation of existing connections, Energisation of existing connections, Special meter reading • The SAP financial system is used to extract the total costs of special reading activities by using cost elements. Total costs relating to Special Reading activities are allocated based on revenue split between Re-Energisation, De-Energisation and Special Reads. The allocation is based on the assumption that the revenue split is reflective of the underlying costs of performing the services. • Corporate overheads are indirectly allocated based on expenditure, under the assumption that Corporate Overheads are incurred at the same rate as Expenditure. • The business uses cost elements within SAP in order to allocate revenue between the ACS services.

	Variables: Reserve Feeder
	• The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.
	• In order to identify costs relating to reserve feeder, that are not readily available from SAP, the following methodology has been applied to separate reserve feeder from Routine, Condition based and Emergency maintenance.
	o Apply a marginal cost of reinforcement to the total demand of Kilo Volt Amps (kva's) for reserve feeder contracts to calculate a total reinforcement cost. Then apply the maintenance percentage which is calculated by taking current years maintenance expenditure divided by the current years RAB adjusted for CPI.
	N/A Activities: Re-test of type 5 & 6 metering installations, Operation, repair, replacement and maintenance of DNSP public lighting assets, Fault response, Temporary disconnect/reconnect services, Temporary supply services, Remote meter re-configuration, Remote de-energisation, Remote re-energisation • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.
	• Powercor did not carry out these Alternative Control/Other Services during the year.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	The organisations accounting structure does not readily capture these costs in the required level of detail.

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	**Variables:** Reserve Feeder • The organisations accounting structure does not readily capture costs relating to reserve feeder. The methodology as explained in section C has been applied using actual data variables in order to estimate the implied cost of reserve feeder.

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	14. Alternative Control Services and Other Services
Table name	Table 1: Alternative Control Services and Other Services
Variable name	**Quoted:** Supply abolishment, Emergency recoverable works, Audit of design and construction, Specification and design, High load escorts, Covering of low voltage mains, After hours truck by appointment, Pole/Duct/Fibre/Property rental **Public Lighting:** Public Lighting, Efficient luminaires, Non-energy efficient luminaires **N/A Activities:** Rearrangement of network assets at customer request, Supply enhancement at customer request, Elective underground service where an existing overhead service exists, Damage to overhead service cables pulled down by high load vehicles, Routine connections for customers > 100amps
BOP ID	ANFPAL 14BOP12

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements:
Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response:
All expenditures have been reported in accordance with the requirements of the RIN and are:
- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.

- Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables: Supply abolishment, Emergency recoverable works, High load escorts, Covering of low voltage mains, After hours truck by appointment, Pole/Duct/Fibre/Property rental
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the

audited statutory accounts for Powercor.

Variables: Audit of design and construction, Specification and design
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

Variables: Public Lighting, Efficient luminaires, Non-energy efficient luminaires
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

- Pole inventory data is sourced from GIS.

N/A Activities: Rearrangement of network assets at customer request, Supply enhancement at customer request, Elective underground service where an existing overhead service exists, Damage to overhead service cables pulled down by high load vehicles, Routine connections for customers > 100amps
- The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Supply abolishment, Emergency recoverable works, High load escorts, Covering of low voltage mains, After hours truck by appointment, Pole/Duct/Fibre/Property rental • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Audit of design and construction, Specification and design • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. • In order to identify costs for the individual services (Auditing of design and construction & Specification and design enquiry fees) from the total SAP cost element, costs have been allocated based on the customer request type. • The remaining unallocated costs are pro-rated based on the percentage split of Audit/Design costs established via the customer type allocation. **Variables:** Public Lighting, Efficient luminaires, Non-energy efficient luminaires • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Public Lighting is allocated between Energy Efficient, Non-efficient and Unregulated based

	on the number of lights.
	• In order to separate public lighting pole inspection costs from total asset inspection within the distribution business, pole numbers have been extracted from GIS for both fire and non-fire areas. In order to identify the number of poles inspected in the current year an assumption has been made that poles in non-fire prone areas are inspected every 5 years and poles in fire prone areas are inspected every 2.5 years based on compliance obligations. Having established the number of poles inspected in the year, total poles inspected during the year are multiplied by unit rates specified in asset inspection contract
	N/A Activities: Rearrangement of network assets at customer request, Supply enhancement at customer request, Elective underground service where an existing overhead service exists, Damage to overhead service cables pulled down by high load vehicles, Routine connections for customers > 100amps
	• The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.
	• Powercor did not carry out these Alternative Control/Other Services during the year.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	The organisations accounting structure does not readily capture Audit Design, Specification and Design or public lighting inspection costs at the required level of detail.

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	**Variables:** Audit of design and construction, Specification and design • The organisations accounting structure does not readily capture Audit Design or Specification and Design costs at the required level of detail. Therefore in order to identify the cost of each service in the current year an assumption has been made to allocate the total cost within the relevant SAP cost elements based on the customer request type. The assumption that the number of customer orders received best represents the expenditure for each of the services. **Variables:** Public Lighting • The organisations accounting structure does not readily capture public lighting inspection costs at the required level of detail. Therefore in order to identify the number of poles inspected in the current year an assumption has been made that poles in non-fire prone areas are inspected every 5 years and poles in fire prone areas are inspected every 2.5 years based on compliance obligations.

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**15. Efficiency Benefits Sharing Schemes**
Table name	**Table 1: Opex for EBSS Purposes**
Variable name	Debt raising costs, Self-insurance, superannuation defined benefit schemes, Non network alternative costs, DMIA costs, pass through event costs, GSL payments
BOP ID	ANFPAL 15BOP13

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements:
Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response:
All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables: Debt raising costs, Self-insurance, Non network alternative costs, GSL payments, DMIA costs   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.   **Variables:** Superannuation defined benefit schemes   • The data has been sourced from the Mercer super actuarial report   **Variables:** Pass through event costs   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Debt raising costs, Self-insurance, Non network alternative costs, GSL payments, DMIA costs • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Superannuation defined benefit schemes • Powercor has reported operating costs in relation to defined benefit schemes in accordance with AASB 119. **Variables:** Pass through event costs • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Incremental maintenance costs have been calculated as per increased requirements of HBRA. Incremental maintenance costs are calculated as the difference between 2014 actual maintenance expenditure and the average maintenance expenditure of the years 2009 – 2012 converted into $2014. Prior year maintenance was converted into $2014 using September CPI.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	16. Jurisdictional Scheme
Table name	Jurisdictional Scheme payments
BOP ID	ANFPAL 16BOP14

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements of the Notice: (copy requirements from 'Definitions' or 'Principles and Requirements' sections of the RIN)   This template has been completed in accordance with the general principles and requirements of Schedule 2 section 1.
Response: (provide affirmation that the above requirements have been met)   Jurisdictional Scheme amounts are feed in tariff payments made to customers who have contributed energy onto Powercor's distribution network. The costs are directly allocated to Powercor and are allowable pass through cost.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: The data is sourced from the general ledger in SAP.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	The annual cost is taken from the general ledger in SAP. The general ledger includes actual costs paid to customers and accruals for costs incurred but not yet paid.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	NA

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	NA

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	NA

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**17. DMIS - DMIA**
Table name	**Table 1: DMIA expenditure in the regulatory reporting year** **Table 2: DMIA expenditure in the previous reporting year** **Table 3: Foregone revenue in the regulatory reporting year**
Variable name	DMIA Expenditure Foregone Revenue
BOP ID	ANFPAL 17BOP15

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** DMIA Expenditure • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables:** Foregone Revenue • Powercor has no reported foregone revenue.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** DMIA Expenditure • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Foregone Revenue • Powercor has no reported foregone revenue.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
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Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	18. Self-Insurance
Table name	**Table 1 Self-Insurance Events with an Incurred Cost of Greater than $100 000 per Event.** **Table 2 Self-insurance events with an incurred cost of less than $100 000 per event** **Table 3 Total self-insurance that relate to regulated assets**
Variable name	Self-Insurance
BOP ID	ANFPAL 18BOP16

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: Powercor does not maintain any self-insurance.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	Self-insurance is not applicable to Powercor.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**19. Change of Accounting Policy**
Table name	**Table 1 The aggregate effect of the change in accounting policy on the balance sheet and income statements** **Table 2: Description and reason for the change in accounting policy**
Variable name	Change of Accounting Policy
BOP ID	ANFPAL 19BOP17

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: There has been no change of accounting policy for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	There has been no change of accounting policy for Powercor.

D.   Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	20. Related Party Transactions
Table name	Table 1: Payments made by Powercor to Related Party under CONTROL or INFLUENCING Ownership Table 2: Composition of margins in relation to table 1.
Variable name	CHED Services, Powercor Network Services
BOP ID	ANFPAL 20BOP18

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** CHED Services, Powercor Network Services • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** CHED Services, Powercor Network Services • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	21. Advanced Metering Infrastructure
Table name	Table 1: Standard control asset base - metering
Variable name	Accumulation meters, Manually read interval meters, Remotely read interval meters and transformers, IT, Communications, Other.
BOP ID	ANFPAL 21BOP19(A)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Accumulation meters, Manually read interval meters, IT, Other • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor. **Variables:** Remotely read interval meters and transformers, Communications • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Accumulation meters, Manually read interval meters, IT, Other • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. **Variables:** Remotely read interval meters and transformers, Communications • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • In order to separate remote meter reconfiguration expenditure and bring-forward fee from AMI capex, revenue volumes billed to customers are multiplied by the internal labour rate in order to identify the total cost of the service. Having established the cost of remote meter reconfiguration and bring-forward fee, the expenditure is removed from AMI capex and reported as AMI opex in accordance with the cost allocation methodology.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	21. Advanced Metering Infrastructure
Table name	Table 2a: Number of meters installed
Variable name	Accumulation meters, MRIM meters, AMI meters.
BOP ID	ANFPAL 21BOP19(B)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Accumulation meters, MRIM meters, AMI meters   • The data for the meter categories has been sourced from the SAP BI Integrated Planning system (IP).

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions

2014	**Variables:** Accumulation meters, MRIM meters, AMI meters
	• The SAP IP system is used to extract the information required by category and regulatory segment. The business uses cost elements within SAP in order to allocate volumes between the regulatory segments.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Information table

Template name	**21. Advanced Metering Infrastructure**
Table name	**Table 2b: Cumulative number of meters**
Variable name	Accumulation meters, MRIM meters, AMI meters.
BOP ID	ANFPAL 21BOP19(C)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Accumulation meters, MRIM meters, AMI meters • The data for the meter categories has been sourced from CIS.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Accumulation meters, MRIM meters, AMI meters

	• CIS is used to extract and report the information required by category and regulatory segment.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**21. Advanced Metering Infrastructure**
Table name	**Table 3: AMI meter reconciliation**
Variable name	Opening number of meters, Installs, Abolishment's, AMI meter for AMI meter replacements.
BOP ID	ANFPAL 21BOP19(D)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Opening number of meters, Abolishment's, AMI meter for AMI meter replacements • The data for the meter categories has been sourced from CIS. **Variables:** Installs • The data for the meter categories has been sourced from the SAP BI Integrated Planning system (IP).

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Opening number of meters, Abolishment's, AMI meter for AMI meter replacements • CIS is used to extract and report the information required by category and regulatory segment. **Variables:** Installs • The SAP IP system is used to extract the information required by category and regulatory segment. The business uses cost elements within SAP in order to allocate volumes between the regulatory segments.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	21. Advanced Metering Infrastructure
Table name	Table 4: Number of meter read quantity – end of year
Variable name	Meters read monthly – accumulation, meters read quarterly – accumulation, meters read monthly – interval, meters read quarterly – interval, meters read remotely.
BOP ID	ANFPAL 21BOP19(E)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Meters read monthly – accumulation, meters read quarterly – accumulation, meters read monthly – interval, meters read quarterly – interval, meters read remotely   • The data for the meter categories has been sourced from CIS.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Meters read monthly – accumulation, meters read quarterly – accumulation, meters read monthly – interval, meters read quarterly – interval, meters read remotely • CIS is used to extract and report the information required by category and regulatory segment.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**22. Safety and Bushfire Related Expenditure**
Table name	**Table 1 Asset groups: Definitions, cost-allocation basis and methodology** **Table 2 Bushfire-related expenditure - approved under pass-through applications (volumes)** **Table 3 Safety related other - ESL, non ESL and ESMS (volumes) - approved under AER determination for 2011-15**
Variable name	Actual Units, AER expected volumes, As approved under pass-through applications
BOP ID	ANFPAL 22BOP20(A)

A.   Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B.   Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Actual Units • Replacement data has been sourced from SAP. • VBRC Armour Rods and Dampers units are extracted from the AD&R Mobility solution which sources data from SAP. • VBRC Asset Inspection units sourced from invoices received from Electrix • VBRC Units (Kms) for Spacers - The source data is derived from the contractor invoice

Variables: AER expected volumes • AER volumes have been sourced from the 2011-2015 Final Decision. **Variables:** As approved under pass-through applications • Volumes sourced from December 2011 Victorian Bushfire Royal Commission Powercor Australia Pass Through Application	

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Actual Units • All replacement data has been sourced and reported from SAP. • VBRC Armour Rods and Dampers units are extracted from the AD&R Mobility solution which sources data from SAP. • VBRC Asset Inspection units sourced from invoices received from Electrix • VBRC Units (kms) for Spacers - The source data is derived from the contractor invoice divided by the contract survey rate. **Variables:** AER expected volumes • AER volumes have been sourced and reported from the 2011-2015 Final Decision. **Variables:** As approved under pass-through applications • Volumes sourced and reported as per December 2011 Victorian Bushfire Royal Commission Powercor Australia Pass Through Application

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**22. Safety and Bushfire Related Expenditure**
Table name	**Table 4 Bushfire-related expenditure pass-through applications ($ nominal - excluding margins and overheads)**
	Table 5 Safety related other - ESL, non ESL and ESMS ($ nominal - excluding margins and overheads)
	Table 6 Bushfire-related expenditure pass-through applications ($ nominal - margins and overheads)
	Table 7 Safety related other - ESL, non ESL and ESMS ($ nominal - margins and overheads)
	Table 8 Bushfire-related expenditure including approved pass-through applications ($ unit cost)
Variable name	Actual $000, AER expected expenditure $000, As approved pass through ($'000 nominal)
BOP ID	ANFPAL 22BOP20(B)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Variables: Actual $000
- The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

Variables: AER expected expenditure $000
- AER expected expenditure sourced from 2011 Regulatory Proposal

Variables: As approved pass through ($'000 nominal)
- Expenditure sourced and reported as per December 2011 Victorian Bushfire Royal Commission Powercor Australia Pass Through Application

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Actual $000 • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology. • Expenditure for non-VBRC replacements has been allocated across categories based on volumes sourced from SAP. • Incremental maintenance costs for asset inspections have been calculated as per increased requirements of HBRA. Please refer to BOP ID "ANFPAL 15BOP13" for methodology. **Variables:** AER expected expenditure $000 • AER expected expenditure has been sourced and reported from the 2011 Regulatory Proposal with AER cost escalation applied. **Variables:** As approved pass through ($'000 nominal) • Expenditure sourced and reported as per December 2011 Victorian Bushfire Royal Commission Powercor Australia Pass Through Application

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	Pole replacement costs are not captured by material and/or voltage within the SAP system.

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	Pole replacement costs are not captured by material and/or voltage within the SAP system. Therefore expenditure is allocated based on volumes.

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**22. Safety and Bushfire Related Expenditure**
Table name	**Table 9 Safety related other - ESL, non ESL and ESMS ($ unit cost)**
Variable name	Actual $000, AER expected expenditure $000
BOP ID	ANFPAL 22BOP20(C)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor. • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: Unit rates are derived based on a formula of Cost divided by Units, sourced as per above.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Actual $000, AER expected expenditure $000 • Unit rates are a product of cost divided by volumes as reported in the Safety and Bushfire

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	Related Expenditure template.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	23. Shared assets
Table name	Table 1: Total unregulated revenue earned with shared assets
Variable name	Total shared asset unregulated revenue
BOP ID	ANFPAL 23BOP21(A)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: **Variables:** Total shared asset unregulated revenue   • The data for the expenditure categories and cost allocations has been sourced from the SAP accounting system. SAP is the primary financial reporting system and is the source of providing the audited statutory accounts for Powercor.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	**Variables:** Total shared asset unregulated revenue • The SAP financial system is used to extract the information required by category and regulatory segment. Using the audited statutory accounts for Powercor, the business uses cost elements within SAP in order to allocate costs between the regulatory segments in accordance with the cost allocation methodology.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	23. Shared assets
Table name	Table 2: Shared asset unregulated services and apportioned revenue
Variable name	Unregulated energy efficient public lighting, Joint use of poles, Optical fibre lease
BOP ID	ANFPAL 23BOP21(B)

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements: Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.
Response: All expenditures have been reported in accordance with the requirements of the RIN and are: • Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor.   • Directly attributed to standard control services, alternative control services, negotiated distribution services, unregulated distribution services and metering services provided by Advanced Metering Infrastructure in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response: No apportioned revenue.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	No apportioned revenue.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	N/A

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	N/A

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	N/A

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	**24. Unmetered Supply**
Table name	**Unmetered supply tariff quantity data template (actual t-2)**
BOP ID	ANFPAL 24BOP22

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements of the Notice: (copy requirements from 'Definitions' or 'Principles and Requirements' sections of the RIN)
This template has been completed in accordance with the general principles and requirements of Schedule 2 section 1.

Response: (provide affirmation that the above requirements have been met)
This template requires the number of unmetered supplies which is best related to Schedule 2, 1.1 (b) in the Notice. The number of unmetered supplies has been set out as per the workbook attached in Appendix B . It is also readily available for inspection by the AER (Schedule 2, 1.1 (d)). It has been completed in accordance with Schedule 1 of the Notice (Schedule 2, 1.1 (e))

The number of unmetered supplies is not reported in the Statutory Accounts and is not a financial number so Schedule 2, 1.1 (a) and (c) is not applicable.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
The data has been sourced from GIS.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	This RIN table reports the actual number of public lights. The Data is obtained from GIS by the Billing Manager. GIS holds data such as the NMI, number of lights, light type amongst other details.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	NA

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	NA

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	NA

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	25. Tariff Quantity Data Template (Actual t-2) Distribution Tariff Revenue
Table name	Distribution Tariffs (Pt-2), Actual Quantities (Qt-2), Actual Revenue (Pt-2)*(Qt-2)
BOP ID	ANFPAL 25BOP23

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements of the Notice: (copy requirements from 'Definitions' or 'Principles and Requirements' sections of the RIN)
Appendix A Section 5:Standard Control Services Tariffs:

5. STANDARD CONTROL SERVICES TARIFFS

5.1 The Regulatory Accounting Statements must separately disclose, and not net off between *distribution services*, for each tariff associated with a *standard control service*:

   (a) the revenue recovered; and

   (b) the amount of electricity distributed.

Response: (provide affirmation that the above requirements have been met)
The template provides for each tariff the distribution price, the amount of electricity distributed (5.1 b) and total revenue (5.1 a).

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Distribution Tariffs (Pt-2)
Distribution Tariffs have been sourced from the 2014 Powercor Pricing Proposal which was approved by the AER. Prices are provided by tariff.

Actual Quantities (Qt-2)
The actual quantities are the amount of electricity distributed. The quantities are taken from Finance's end of year tariff revenue report. The quantities reported include actual volumes billed in CISOV and accruals calculated in CISOV. Additional accruals may be made based upon known issues according to accounting principles. E.g. known / pending disputes not yet resolved. The billing department will advise the consumption and splits by tariff to be adjusted in the future.

Actual Revenue

Actual Distribution Revenue for the purposes of the RIN template is not calculated as Price X Quantity. Distribution Revenue is calculated using the following formula (only for the purposes of the RIN template):

Distribution Revenue = Network Revenue - Transmission Revenue - Jurisdictional Revenue – Pass Through Revenue.

(explanation of why this approach is taken see section C – Methodology and Assumptions)

Transmission Revenue, Jurisdictional Revenue and Pass Through Revenue are sourced from the annual RIN template. (Refer to the Basis of Preparation for each of these components for further details)
Network Revenue is sourced from the annual RIN template work paper as it is not required in the RIN template or Regulatory Accounts. The work paper is put together using data from Finance's end of year tariff revenue report. Revenue reported includes actual billed Revenue from CISOV and accruals calculated in CISOV. Additional accruals may be made based upon known issues according to accounting principles.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	For the purposes of the RIN template, Distribution revenue must be calculated as: Distribution Revenue = Network Revenue - Transmission Revenue - Jurisdictional Revenue – Pass Through Revenue The Regulatory approach to calculate revenue is price (t-2) multiplied by quantity (t-2). However this does not allow prices from a prior period to be factored to accounting and billing adjustments (which relate to a prior period). Transmission, Jurisdictional and Pass Through Revenue are calculated as Price X Quantity and as a result, Distribution Revenue must be calculated as the difference in order for the total revenue to agree to Finance's end of year tariff report. The end of year Finance report can be agreed to SAP. . The Distribution Revenue calculated in the RIN template does not agree to the Finance end of year tariff report as it includes all prior year adjustments for the other revenue components. However the sum of the variances found in the Transmission revenue, Jurisdictional Revenue and Pass Through Revenue templates directly offset against the variances found in the Distribution Tariff template. (This is because Distribution revenue is calculated as the difference between Network revenue and the other revenue components.)

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	NA

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	NA

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used,

	assumptions made and reasons why the estimate is Powercor's best estimate.
2014	NA

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	26. Tariff Quantity Data Template (Actual t-2) Transmission Tariff Revenue
Table name	Transmission Tariffs (Pt-2), Actual Quantities (Qt-2), Actual Revenue (Pt-2)*(Qt-2)
BOP ID	ANFPAL 26BOP24

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements of the Notice: (copy requirements from 'Definitions' or 'Principles and Requirements' sections of the RIN)
Appendix A Section 5:Standard Control Services Tariffs:

5.   STANDARD CONTROL SERVICES TARIFFS

5.1   The Regulatory Accounting Statements must separately disclose, and not net off between *distribution services*, for each tariff associated with a *standard control service*:

(a)   the revenue recovered; and

(b)   the amount of electricity distributed.

Response: (provide affirmation that the above requirements have been met)
The template provides for each tariff the transmission price, the amount of electricity distributed (5.1 b) and total revenue (5.1 a).

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Transmission Tariffs (Pt-2)
Transmission Tariffs have been sourced from the 2014 Powercor Pricing Proposal which was approved by the AER. Prices are provided by tariff.

Actual Quantities (Qt-2)
The actual quantities are the amount of electricity distributed. The quantities are taken from Finance's end of year tariff revenue report. The quantities reported include actual volumes billed in CISOV and accruals calculated in CISOV. Additional accruals may be made based upon known issues according to accounting principles. E.g. known / pending disputes not yet resolved. The billing department will advise the consumption and splits by tariff to be adjusted in the future.

Actual Revenue

Actual Transmission Revenue is calculated as Price X Quantity.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	Transmission revenue is calculated as Price X Quantity.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	NA

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	NA

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	NA

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	27. TUOS cost audit (t-2)
Table name	TUOS Charges (AEMO), Transmission connection fees (SPI Powernet), Cross boundary network charges, Payments to embedded generators
BOP ID	ANFPAL 27BOP25

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements of the Notice: (copy requirements from 'Definitions' or 'Principles and Requirements' sections of the RIN)

Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response: (provide affirmation that the above requirements have been met)
All expenditures have been reported in accordance with the requirements of the RIN and are:
- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor

- Directly attributed to standard control services in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

Transmission charges from AEMO, Ausnet (previously SPI Powernet), Jemena and ETSA are costs that are incurred to transport energy from the generator to the distribution business via the transmission businesses assets. The costs are directly allocated to Powercor and are an allowable pass through costs for standard control services.
Avoided Cost Payments are separately disclosed on this template. Payments are made to embedded generators on Powercor's distribution network where their generation activities resulted in Powercor avoiding payment for transmission services.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
All Transmission costs (AEMO, Ausnet), Cross boundary network charges (Jemena, ETSA) and Avoided Cost payments are sourced from actual invoices received. Total transmission costs agree to the pass through costs included in the annual pricing proposal approved by the AER.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	All transmission costs included in the RIN template are based on actual invoices received. This is the approach taken in the annual pricing proposal which is approved by the AER.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	NA

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	NA

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	NA

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	28. Tariff Quantity Data Template (Actual t-2) Jurisdictional Scheme Tariff Revenue
Table name	Jurisdictional Tariffs (Pt-2), Actual Quantities (Qt-2), Actual Revenue (Pt-2)*(Qt-2)
BOP ID	ANFPAL 28BOP26

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements of the Notice: (copy requirements from 'Definitions' or 'Principles and Requirements' sections of the RIN)
Appendix A Section 5:Standard Control Services Tariffs:

5. STANDARD CONTROL SERVICES TARIFFS

5.1 The Regulatory Accounting Statements must separately disclose, and not net off between *distribution services*, for each tariff associated with a *standard control service*:

    (a)   the revenue recovered; and

    (b)   the amount of electricity distributed.

Response: (provide affirmation that the above requirements have been met)
The template provides for each tariff the jurisdictional scheme price, the amount of electricity distributed (5.1 b) and total revenue (5.1 a).

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Jurisdictional Scheme Tariffs (Pt-2)
Jurisdictional Scheme Tariffs have been sourced from the 2014 Powercor Pricing Proposal which was approved by the AER. Prices are provided by tariff.

Actual Quantities (Qt-2)
The actual quantities are the amount of electricity distributed. The quantities from Finance's end of year tariff revenue report. The quantities reported include actual volumes billed in CISOV and accruals calculated in CISOV. Additional accruals may be made based upon known issues according to accounting principles. E.g. known / pending disputes not yet resolved. The billing department will advise the consumption and splits by

tariff to be adjusted in the future.

Actual Revenue
Actual Jurisdictional Revenue is calculated as Price X Quantity.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	Jurisdictional revenue is calculated as Price X Quantity.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	NA

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	NA

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	NA

2014 AER ANNUAL RIN

Basis of Preparation (BOP) Template
The purpose of this template is to explain, for each Variable, the basis upon which the Businesses prepared information to populate the input cells. It is used to demonstrate to the AER that the information provided is consistent with the requirements of the RIN Notice.

This information must be provided for each variable and must be accurately described as it will be audited and provided to the AER.

Please use plain English, complete sentences and avoid acronyms.

Information table

Template name	29. Juris cost audit template
Table name	Jurisdictional Scheme Amounts
BOP ID	ANFPAL 29BOP27

A. Demonstrate how the information provided is consistent with the requirements of the Notice (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(a))

Requirements of the Notice: (copy requirements from 'Definitions' or 'Principles and Requirements' sections of the RIN)

Please reference Appendix A Sections 1-9 of the AER 2014-15 Annual RIN.

Response: (provide affirmation that the above requirements have been met)

All expenditures have been reported in accordance with the requirements of the RIN and are:
- Derived and verifiable from the statutory accounts and state fairly the financial position of Powercor

- Directly attributed to standard control services in accordance with the approved Cost Allocation Methodology for the particular regulatory year.

Jurisdictional Scheme amounts are feed in tariff payments made to customers who have contributed energy onto Powercor's distribution network. The costs are directly allocated to Powercor and are an allowable pass through cost.

B. Source (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(b))

Please explain the source from where the data has been obtained (i.e. systems such as GIS, SAP, OAS, Audited financial statements etc.). If the data is not being obtained from the *originating source* (i.e. it was sourced from a report), the originating source for the data in the report will need to be provided as well.

Response:
Jurisdictional scheme amounts for PFIT and TFIT are sourced from monthly CISOV reports.
Total jurisdictional scheme payments agree to the ledger account 507600 in SAP excluding the accrual.

C. Methodology & Assumptions (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(c))

Please explain for 2014, the methodology applied including any assumptions made to determine the final value populated in the RIN. Where applicable please reference the relevant processes and procedures used.

Year	Methodology & Assumptions
2014	Jurisdictional scheme amounts for PFIT and TFIT are sourced from monthly CISOV reports. The jurisdictional scheme payments disclosed in this template are cash payments. This is the approach taken in the annual pricing proposal which is approved by the AER The Jurisdictional scheme payments inclusive of accruals are provided in RIN template 16 – Juris Scheme.

D. Nil or estimate data (refer AER 2014-15 Annual RIN, Appendix A Section 10 – 1.1(d))

For those years where it is not possible to provide the data or where data has been estimated or derived from other data, please explain:

Year	1. Why it was not possible for Powercor to provide the information required;
2014	NA

Year	2. What steps Powercor is taking to ensure it can provide the information in the future; and
2014	NA

Year	3. If an estimate has been provided, the basis of the estimate, including the approach used, assumptions made and reasons why the estimate is Powercor's best estimate.
2014	NA