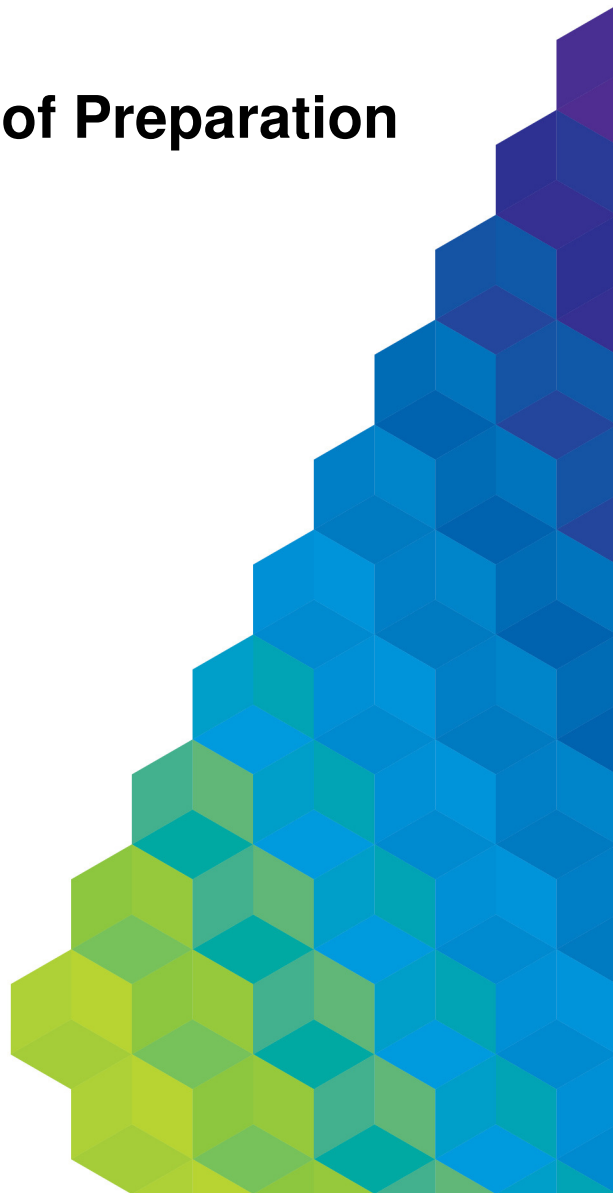
AusNet Electricity Services Pty Ltd

AER Regulatory Accounting Statements – Financial and Non-Financial Templates

2014 Regulatory Year Basis of Preparation



Basis of Preparation

2014 Regulatory Year

Overview

This Basis of Preparation document supports the preparation and reporting of the 2014 Regulatory Year data presented in AusNet Electricity Services Pty Ltd's ("AusNet Electricity Services") reports entitled 'Regulatory Accounting Statements – Financial information templates', 'Regulatory Accounting Statements – Non-financial information templates – audited,' and 'Regulatory Accounting Statements – Non-financial information templates - unaudited' ("the Reports" or "Regulatory Accounts").

The ultimate Australian parent of AusNet Electricity Services is AusNet Services (Distribution) Ltd which is part of a listed stapled group trading as AusNet Services. AusNet Services comprises the Stapled Group of AusNet Services (Distribution) Ltd and its subsidiaries, AusNet Services (Transmission) Ltd and its subsidiaries, and AusNet Services Finance Trust. The Stapled Group is also referred to as the AusNet Services Group.

AusNet Electricity Services, AusNet Services (Distribution) Ltd, AusNet Services, AusNet Services (Transmission) Ltd and AusNet Services Finance Trust were formerly known as SPI Electricity Pty Ltd, SP Australia Networks (Distribution) Ltd, SP AusNet, SP Australia Networks (Transmission) Ltd and SP Australia Networks (Finance) Trust respectively up until 4 August 2014.

The Reports have been prepared in accordance with the 'Regulatory Information Notice issued under section Division 4 of Part 3 of Chapter 2 of the *National Electricity Law'* ("RIN") issued by the AER on 6 August 2014.

AusNet Electricity Services' 2014 Regulatory Year is the period 1 January 2014 to 31 December 2014 ("Regulatory Year"). Data included in the Reports has been provided for the 2014 Regulatory Year. All financial data included in the Reports is presented in thousands of Australian dollars, unless otherwise stated in the Template. Non-financial data is stated as per the measures specified in the Reports.

The AusNet Services' Group owns and operates 3 regulated networks – an electricity distribution network, a gas distribution network, and an electricity transmission network. Employees of the AusNet Services Group work across the 3 regulated networks and there are shared costs and overhead and other corporate costs that cannot be directly allocated to a particular network. These costs are proportioned amongst AusNet Services' 3 regulated networks, as well as unregulated businesses, based on a quarterly Activity Based Costing ("ABC") survey process completed by all cost centre managers and in accordance with AusNet Services' Cost Allocation Methodology ("CAM").

Materiality has been applied throughout the Reports and Basis of Preparation. Materiality is defined as information that if omitted, misstated or not disclosed has the potential, individually or collectively to influence the economic decisions of users.

The Reports require inputs to be allocated between Standard Control Services, Advanced Metering Infrastructure (AMI), Alternative Control Services, Negotiated Distribution Services and Unregulated Distribution Services. These are all defined in the 2011-15 Distribution Determination, with AMI having the meaning of activities undertaken by AusNet Services to provide 'regulated services' as defined in the Order in Council made on 28 August 2007 under sections 15A and 46D of the Electricity Industry Act 2000 (Vic) and as amended on 12 November 2007, 25 November 2008, 21 October 2010 and December 2011.

Basis of Preparation

2014 Regulatory Year

In conformity with AER requirements, the preparation of the Reports requires the use of certain critical management estimates. For the purpose of preparing the Reports, 'estimated information' is defined as information presented in the Reports whose presentation is not materially dependent on information recorded in accounting records or other records used in the normal course of business, and whose presentation for the purpose of the RIN is contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation in the Reports.

Where estimated information has been presented, the circumstances and the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is AusNet Electricity Services' best estimate has also been set out below. By definition, estimates seldom equal the related actual results and estimates have only been made for the purpose of disclosing the information required under the RIN. Considerations of the cost and efficiency of preparation as well as the reliability and accuracy of data available have been taken into account in determining the best methodology to determine the estimates.

'Actual Information' is defined as information materially dependent on information recorded in historical accounting records or other records used in the normal course of business, and whose presentation is not contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation. Any information or allocation which has been calculated via the ABC survey process is considered actual information, as this is in accordance with the AER-approved CAM.

The preparation methodologies and information sources adopted in the preparation of the Reports are set out below.

Contents

REGULATORY ACCOUNTING STATEMENT TEMPLATES

For templates within the 2014 Regulatory Accounts:

The forecasted values are the forecast expenditure as per the 2011-2015 Electricity Distribution determination. The adjusted forecast is the forecast adjusted to be in equivalent dollar terms to the actual expenditure for the 2014 Regulatory Year, based on the CPI calculation as specified in the 'Contents' page of the Regulatory Accounts. In certain cases, expenditure in the determination was only forecast at the total level and not prescribed by the various categories required to be disclosed in the Regulatory Accounts. In these circumstances only the total forecast expenditure is shown.

Audited statutory accounts are the audited set of accounts prepared in accordance with the requirements of the *Australian Securities and Investments Commission* (ASIC) and the *Corporations Act* 2001 (Cth). Audited Statutory Accounts amounts within the AusNet Electricity Services' 2014 Regulatory Accounts are derived from the supporting workings to the 'AusNet Services Holdings Pty Ltd' audited Special Purpose Financial Report ("SPFR") for the financial year ended 31 December 2014. In certain cases, the SPFR workings do not contain sufficient information to enable separation into the various categories prescribed in the Regulatory Accounts. In these circumstances no amounts have been shown in the Audited Statutory Accounts column.

AusNet Services Holdings Pty Ltd was formerly known as SPI Electricity & Gas Australia Holdings Pty Ltd up until 4th August 2014.

1a Income statement

The accounting terms used in this template have the same meaning as is used for the preparation of the statutory accounts. The service classifications have the same meaning as those used in the 2011-15 Distribution determination.

Preparation Methodology:

The column 'Adjustments' is the difference between the Audited SPFR amounts and Distribution Business amounts. These differences arise largely due to the following:

- The AusNet Services Holdings Pty Ltd SPFR is a consolidated set of financial statements, encompassing both of AusNet Services' electricity and gas distribution businesses. This set of financial statements also captures some amounts generated by the Select Solutions business, which is unregulated. The revenues and costs recorded in the AusNet Services' financial system relating to the gas distribution and Select Solutions businesses are captured in the Adjustments column;
- Shared and overhead costs are allocated to AusNet Services' networks based on a quarterly Activity Based Costing ("ABC") survey process completed by all cost centre managers in accordance with AusNet Services' Cost Allocation Methodology ("CAM"). Overheads which are not allocated to the electricity distribution business but are within the amounts reported in the SPFR are included in the adjustment column;
- A $32.5 million provision is included in the SPFR relating to the Victorian Government's AMI customer rebate policy, whereby a one-off lump sum payment is required for each premises which do not have a smart meter installed that communicates remotely with the market by 31 March 2015. The associated expense is captured within the Adjustments column of the Regulatory Accounts as these costs cannot be recovered through the Regulatory Framework;
- Certain accounts, such as tax balances, capitalized finance charges, customer contributions revenue, intercompany amounts and impairment being outside the scope of the Regulatory Accounts per Regulatory Guidelines; and
- Differences between accounting depreciation (i.e. calculated on a straight-line basis) and Regulatory depreciation (i.e. approved 'return of capital' allowance for the period).

All amounts are derived directly from General Ledger accounts or from another Template within the 2014 Regulatory Accounts, except as detailed below:

Distribution Revenue: AMI, public lighting and fee based amounts are derived based on an analysis of transactions within 2 different General Ledger revenue accounts, where information is sourced directly from the Financial System. The categorisation between Efficient and Non-Efficient public lighting revenue is based on further analyzing the descriptions of the amounts billed.

Other revenue: Negotiated Services Revenues are determined based on analysis of revenues earned from certain contracts in place.

Depreciation expenses: For regulatory reporting, depreciation charges reflect the approved 'return of capital' allowance for the period, as contained in the Distribution Determination). These figures have been adjusted for CPI.

Finance Charges: obtained via weighting the actual debt raising costs from the General Ledger across networks based on the Regulated Asset Based ("RAB") value of each network.

Estimated Information:

For the revenue from use of RAB assets for non-Standard Control Services ("SCS") purposes, the SPFR column is extracted directly from Template 23 'Shared Assets'. Please refer to this section for an explanation regarding estimates required.

For maintenance costs, the allocation into the required Regulatory Categories (e.g. SCS, alternative control) is considered estimated information as it is based upon an analysis performed by subject matter experts ("SME's"). Refer to section 6a 'Maintenance' for further details regarding this allocation process.

The finance charges weighting process means information is also estimated, as these are not separately captured in the General Ledger.

All other amounts stated are actual information.

2 Total revenue and demand

Table 1: Standard control services revenue - current year
Table 2: Standard control revenue - prior year

No inputs required per template instructions.

Table 3: AMI - current year

Note: 'Number of Meters\NMIs refers to 31 December 2014 figures.

Volumes are cumulative.

Preparation Methodology:

Metering revenue for the template is generated by deducting the previous year's December accrual from the current year's December accrual and adding all the monthly billed revenue data, which is sourced from the Billing system.

Volumes are derived by dividing the reported revenue by the annual (fixed) charge for the meter/light/service.

Estimated Information:

It is assumed Revenue/Price is a valid manner in which to report volumes. This methodology is used to report customer numbers in AusNet Services' annual tariff submissions.

Table 4: AMI - prior year

Preparation Methodology:

Amounts are extracted directly from the 2013 Regulatory Accounts.

Estimated Information:

Consistent with the current year data, the 2013 Regulatory Accounts for the AMI table assumed Revenue/ Price was a valid manner in which to report volumes.

Table 5: Public lighting- current year
Table 6: Public lighting - prior year

No inputs required per template instructions.

Table 7: Total annual retailer charges

Total annual retailer charges ("TARC") is defined as the total annual amount of network charges billed by AusNet Services to all retailers as most recently reported by AusNet Services to the AER, or total annual amount of network charges billed by AusNet Services to all retailers.

Preparation Methodology:

This comprises revenue derived from Distribution Use of System charges, Transmission Use of System Charges and Jurisdictional Charges. This is sourced from the billing system.

Estimated Information:

No estimates are required.

3a Capex total

Capital Expenditure ("capex") includes all costs that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

For the purposes of preparing all capex templates in the Regulatory Accounts, capex data from all relevant work codes is extracted from the Financial System and populated into a capex allocation model. The data is broken down by project and is also segregated into direct costs, overheads, capitalised finance charges, and customer contributions. Unless noted below, the capex values included in the Regulatory Accounts are reported on an as-incurred basis and only include direct costs and overheads.

Work codes are used within the Financial System to capture types of capex projects by their nature. Each work code includes multiple projects and work codes are used as the main source of regulatory financial information for capex included in the Regulatory Accounts.

Table 1: Standard control service

Preparation Methodology:

To determine actual values, work codes are categorised and only those work codes that include Standard Control Services capex for the Electricity Distribution business are included. Details of capex spend for each of these work codes by project is obtained and the following allocation is performed:

- Each project is assigned Regulatory Categories and voltages by a suitable SME based on the types of works undertaken by the project. Each project can be split across various categories and voltages based on the assessment. Each work code is then weighted into the categories based on the profile (i.e. the designated Regulatory Category and voltages) and capex spend of projects within each.
- Using this assessment, the total 2014 capital expenditures per work code is disaggregated across the relevant template categories.
- IT and General projects are separately analysed and allocated to each of AusNet Services' networks and the unregulated business based on an analysis by appropriate SMEs (generally source of allocation is based on Business Case information). Only capex attributable to Electricity Distribution's Standard Control Services is included in the table.
- Similarly, all AMI projects are reviewed by a suitable SME and allocated to AMI as well as across AusNet Services' networks, based on the nature of the application and its use across AusNet Services. The portion of capex that relates to AMI is excluded from Table 1.

Estimated Information:

The total of the 'actual' column is actual data as it agrees to the Financial System.

The allocation into the Regulatory Categories is estimated data as the current Financial System does not capture this level of detail. An assessment of each project is performed by a suitable SME to determine the allocation, and this allocation is used to apportion the actual expenditure into the prescribed Regulatory Categories. This is considered management's best estimate of the required data.

The assignment of the actual values across the prescribed voltages is also estimated information, as the current Financial System does not capture this level of detail. The assignment is management's best estimate of the required information, as it's based on using weighted averages calculated from information extracted from the Financial System.

Table 3: Capex by asset class

Preparation Methodology:

The actual capex for Subtransmission, Distribution System Assets, SCADA/Network control, Non-network IT and Non-network Other all are obtained directly from Table 1. Distribution System Assets are the sum of HV and LV capex.

AMI capex is determined by review of the AMI capex projects performed for Table 1 (refer above). Some projects in the AMI work codes are allocated across other networks as they also support these networks (e.g. IT projects).

Public Lighting and Alternative Control – Other are extracted from specific work codes in the Financial System and agree to Template 14 'Alternative Control Services and Other Services'.

In relation to provisions, a provision movement schedule is prepared for each type of provision based on information extracted from the Financial System. Each provision is then allocated between capex and Operating Expenditure ("opex") based on results of the 31 December 2014 capitalised overheads model. This model uses results from the quarterly ABC surveys which provide the percentage split of management effort between all of AusNet Services' regulated and unregulated networks as well as between opex and capex. This information is also used to populate Table 3.

The movement in capex provisions is allocated between Standard Control Services, AMI and Alternative Control based on headcount per the ABC surveys. The total Standard Control Services amount is then weighted across the Subtransmission, Distribution System Assets, SCADA/Network Control, Non-network IT and Non-network Other categories based on the capex expenditure weighting disclosed in the 'Actual' column of Table 3.

Estimated Information:

With the exception of Public Lighting and Alternative Control, all other actual capex by category is estimated information due to the allocation of projects performed by suitable SMEs. This is considered management's best estimate of the information required.

The movements in provisions allocated to as-incurred capex is estimated information as the Financial System does not capture movements in provisions on an opex/capex basis, and not in the required categories of Table 3. The allocation process applied to the template is considered management's best estimate of the required information.

Table 4: Other capex

Preparation Methodology:

Other capex includes all Distribution business capex except for Standard Control Services. All information in this table is sourced from other templates, namely:

- AMI data is extracted from Template 21 'Advanced Metering Infrastructure'.
- Public Lighting and Other Alternative Control data is sourced from Table 3.

Estimated Information:

The total AMI 'Actual' amount is estimated as some shared projects were required to be allocated across networks.

Table 5: Customer contributions by asset class

Preparation Methodology:

To determine actual values:

- A transaction history of the customer contributions per project for the 2014 Regulatory Year is downloaded from the Financial System.
- Customer Contribution amounts are allocated into Subtransmission, Distribution System Assets and Alternative Control – Other based on the project allocations identified in Table 1.
- Public Lighting is directly from the public lighting work codes.

The customer contributions amount per the SPFR column matches 'Note 2 Revenue' of the SPFR. The adjustments column includes customer contributions for the gas business as well as the difference between the accounting treatment of customer contributions (revenue recognized over the period of service) compared to the Regulatory treatment (recognised when received).

Estimated Information:

Total customer contributions are actual information from the Financial System. The categorisation into Subtransmission, Distribution System Assets and Alternative Control – Other is estimated information by virtue of the allocation process as per Table 1.

Public Lighting customer contributions are actual information.

Table 6: Disposals by asset class

Disposals mean the written down value (WDV) of assets disposed. The WDV represents the accounting value as contained in the SPFR.

Preparation Methodology:

To determine actual values, a transaction listing of the General Ledger account for asset disposals is reviewed.

The 'Adjustments' column represents the gas business disposals and accounting write-downs.

Estimated Information:

None required.

3b Capex total margins

Related parties are defined within the RIN instructions. Based on this definition SGSP (Australia) Assets Pty Ltd ("SGSPAA"), which includes both Jemena and Zinfra, is identified as the only related party which provides capex services to AusNet Services.

Table 1: Standard control service

Preparation Methodology:

A listing of all 2014 purchase orders with SGSPAA is downloaded from the Financial System. Work code information is mapped to each purchase order. The related party margin is contracted and this margin is applied to determine the dollar value to report.

Using the process to complete Table 1 of Template 3a 'Capex total', each project is assigned to a Regulatory Category, and the margin expenditure is applied across the same Regulatory Categories and voltages as per Table 1.

Estimated Information:

As per Table 1 of Template 3a, the total of the 'actual' column is actual data as it agrees to the Financial System. The allocation into the Regulatory Categories is estimated data as the current Financial System does not capture this level of detail. An assessment of each project is performed by a suitable SME to determine the allocation, and this allocation is used to apportion the actual expenditure into the Regulatory Categories. This is considered management's best estimate of the required data.

The assignment of the actual values across the prescribed voltages is also estimated information, as the current Financial System does not capture this level of detail. As per Table 1 of Template 3a, the assignment is management's best estimate of the required information, as it's based on using weighted averages calculated from information extracted from the Financial System.

Table 3: Capex by asset class

Preparation Methodology:

The 'actual' column is derived as follows:

- Subtransmission and Non-network Other is obtained directly from Table 1
- Distribution System Assets is the sum of HV and LV capex from Table 1
- Public Lighting is extracted from the public lighting work codes

Estimated Information:

Public Lighting amount is actual information as it is extracted directly from work codes.

All other amounts are estimated information as per Table 1's explanation, work codes were weighted across the required categories based on SME analysis. This is considered management's best estimate of the information required.

5 Additions by tax

Table 1: Tax standard lives and capex additions - standard control services

Preparation Methodology:

Tax standard lives are sourced from AusNet Services' internal tax records. The categories which are not completed are not relevant to the current EDPR period.

Capex additions are inclusive of customer contributions but exclude capitalised finance charges. They are sourced directly from Template 3a 'Capex total' Table 3 (Capex by asset class) and Table 5 (Customer Contributions by asset class).

No capex has been reported against Public Lighting and Metering in Table 1 as they are not Standard Control Services.

Estimated Information:

The capex additions are estimated information in line with the process of Template 3a Table 1 where work codes were weighted into the required Regulatory Categories.

Table 2: Standard control services - excluding metering

Preparation Methodology:

For 'Additions per Taxation Category Inclusive of Related Party Margin', all categories are extracted directly by summing the 'Actual' information in Tables 1 (capex additions) and 5 (customer contributions) of Template 3a 'Capex total' with the following exception:

- Replacement expenditure is extracted directly from Table 1 of Template 3a 'Capex total' (the actual capex additions for the 'reliability & quality maintained' and 'reliability & quality improvements' categories) and then allocated into Groups 1, 2 and 3. This allocation process is performed by an SME who reviews each replacement expenditure project. Group 1 is Feeders/Sub-transmission, Group 2 is Switchgear and Group 3 is Transformers and Other.

'Additions per Taxation Category Exclusive of Related Party Margin', are calculated by subtracting the amounts disclosed in Template 3b 'Capex total margins' from the totals inclusive of related party margins.

Estimated Information:

The capex additions are estimated information in line with the process of Template 3a Table 1 where work codes were weighted into the required Regulatory Categories.

Table 3: Metering

Preparation Methodology:

For 'Additions per Taxation Category Inclusive of Related Party Margin' all categories are extracted directly from Table 4 of Template 3a 'Capex total'.

As there were no metering additions made with a related party, the column 'Additions per Taxation Category Exclusive of Related Party Margin' is the same as 'Additions per Taxation Category Inclusive of Related Party Margin'.

Estimated Information:

The total AMI 'Actual' amount is estimated as some shared projects were required to be allocated across networks.

6a Maintenance costs total

Table 1: Maintenance expenditure

Preparation Methodology:

Maintenance expenditure is derived from the Financial System based on a combination of work code and General Ledger account information, which is then analysed by a suitable SME in order to report against the relevant categories in the template. Maintenance expenditure is collated separately for Standard Control Services, AMI, Public Lighting and Other Alternative Control Services. The total expenditure for these categories is then reconciled to the AusNet Services Holdings Pty Ltd audited SPFR.

A Cost Model is utilised to extract and allocate opex and maintenance. The Cost Model is based on the AER-approved CAM. Allocations are made via the following methods:

- Direct cost allocation for expenditure which is directly attributable to a regulated or non-regulated activity;
- Using information based on work codes from the financial system. Work codes are used to allocate costs to a category based on the type of project the costs relate to; and
- Using the results of ABC surveys. Any costs which cannot be allocated using the previous two methods are allocated based on the ABC results.

Standard Control Services:

Specific work codes have been established to capture actual costs for Standard Control maintenance activities. A report is run from the Financial System to show the costs of each work code by General Ledger Account type. General Ledger accounts that are non-maintenance in nature are excluded from the maintenance costs. The costs per work code are allocated into the prescribed Regulatory Categories (i.e. Routine, Condition Based, etc.) based on an analysis (performed by a suitable SME) of the type of transactions undertaken within each work code.

AMI:

Details of the cost centre where AMI maintenance expenditures are recorded are extracted from the Financial System. This cost centre also includes non-AMI maintenance expenditures. An analysis of the costs by General Ledger account recorded in this cost centre is then performed by a suitable SME, and non-maintenance expenditure is subtracted (e.g. depreciation).

This value is then multiplied by the relevant weighting as confirmed through the ABC Survey process in order to determine the AMI portion of maintenance expenditure.

Additionally, an SME analyses a listing of AMI opex projects to determine projects which are maintenance in nature. These are added to the total identified above.

Public Lighting:

Costs recorded in the Public Lighting work code are extracted from the Financial System. Further breakdown into Efficient and Non-Efficient is determined by based on the proportion of Efficient vs Non-

Efficient public lighting revenues, as reported in Template 1 'Income Statement'. These maintenance expenses are also reported in Template 14 'Alternative Controls and Other Services'.

Other Alternative Control Services:

To determine the Fee Based Service amount, details of a certain work code is extracted from the Financial System. 2.5% of the total expenditure is allocated to Fee Based Services based on an analysis of the work code by a suitable SME.

There were no Quoted Services maintenance costs during the 2014 Regulatory Year.

Estimated Information:

Standard Control Services actual values split into the required Regulatory Categories is considered estimated information as the current Financial System does not capture maintenance expenditure into this level of detail. An analysis of costs incurred per work code is completed by a suitable SME to populate the prescribed Categories which is considered management's best estimate of the required data, given the SME's expertise and knowledge of the works undertaken.

Total Maintenance expenditure for Public Lighting is actual information; however the split between Efficient Public Lighting and Non-Efficient Public Lighting is estimated data. The Financial System does not capture Efficient and Non-Efficient public lighting separately, however using the weighting of revenues generated is management's best estimate of completing the required information.

Other Alternative Control Services – Fee Based Services amount is estimated data, due to the use of allocating an estimated percentage against a particular work code to obtain the value. The current Financial System does not capture the required level of detail, so an estimate is required. It is considered management's best estimate as a suitable SME has determined the proportion to allocate.

6b Maintenance costs - margins

Table 1: Maintenance expenditure

Preparation Methodology:

From the process to identify Related Party margins in Template 3b, the maintenance work codes were also extracted and the margin disclosed in Table 1.

Estimated Information:

No estimation required.

8a Operating activities - total

Table 1: Operating expenditure

Preparation Methodology:

Operating expenditure is derived from the Financial System based on a combination of work code and General Ledger account information, which is then analysed by a suitable SME in order to report against the relevant categories in the template. The total expenditure for these categories is then reconciled to the AusNet Services Holdings Pty Ltd audited SPFR.

A Cost Model is utilised to extract and allocate opex and maintenance. The Cost Model is based on the AER-approved CAM. Allocations are made via the following methods:

- Direct cost allocation for expenditure which is directly attributable to a regulated or non-regulated activity;
- Using information based on work codes from the financial system. Work codes are used to allocate costs to a category based on the type of project the costs relate to; and
- Using the results of ABC surveys. Any costs which cannot be allocated using the previous two methods are allocated based on the ABC results.

The following 'Distribution Business' amounts were derived using direct allocation from General Ledger accounts:

- Transmission Connection Fee
- AEMO Shared TUOS Charges
- Net Cross Boundary Network Charges
- GSL Payments
- Non-network Alternative Costs

The following 'Distribution Business' amounts were derived using ABC survey results:

- Billing & Revenue Collection
- Advertising/Marketing
- Customer Service
- Regulatory
- IT (including split between Standard Control and AMI)
- Other – Standard Control Services
- AMI

Other methods:

- Avoided TUoS Charges/Transmission Costs is extracted directly from Template 13 'Avoided Cost Payments'; and
- Jurisdictional Scheme Amounts are extracted directly from Template 29 'Jurisdictional Amount Cost Audit Template';

- Network Operating Costs Distribution Services amount is based on information extracted directly from General Ledger accounts, and based on ABC Survey results. These costs are further allocated as follows:
    - Fee Based Services is derived from an analysis of certain projects; and
    - Quoted Services are directly from Template 14 'Alternative Control Services and Other Services'
- Negotiated Services are based on an analysis of contracts.

Estimated Information:

All amounts are actual as they are derived using the AusNet Services AER-approved CAM, with the exception of Avoided TUoS Charges/Transmission Costs – refer to sections 13 and 27 for details of estimations required.

Table 3: Other network operating costs

Preparation Methodology:

For General Ledger accounts which are directly allocated to 'Other - Standard Control Services', a review was undertaken to determine any balances above the 5% threshold of total standard control operating costs.

Estimated Information:

None required.

Table 4: Operating expenditure - non-recurrent network operating costs

Preparation Methodology:

There are no non-recurrent cost items included in "Network Operating Costs" that are more than 5 per cent of the total standard control services operating costs.

Estimated Information:

None required.

8b Operating activities - margin

Table 1: Operating expenditure

Preparation Methodology:

There were no opex amounts incurred from related parties during the 2014 Regulatory Year.

Estimated Information:

None required.

13 Avoided cost payments

Avoided cost payments are the payments made by AusNet Services to represent costs that AusNet Services would have incurred in the provision of distribution services, but for the actions of another party, which may include a Related Party, embedded generator, third party or customer.

Preparation Methodology:

The values to populate both avoided cost payments and number of projects are extracted directly from Template 27 'TUoS cost audit template (t-2)'.

Estimated Information:

Refer to section 27 for details.

14 Alternative control services and other services

Alternative control services are as defined in the 2011-15 Distribution Determination.

Preparation Methodology:

The following amounts were derived using direct allocation from General Ledger accounts:

- Meter Investigation, Special Meter Reading, Meter Equipment Testing, Meter Conversion, Service Truck Visits, Embedded Generator Connection Charges, Routine connections - customers below 100 amps, Security Lighting operation, repair, replacement and maintenance and Public Lighting Revenues –
    - a transaction listing from one Revenue General Ledger account was extracted, and amounts were categorized based on the tariff billed.
- Supply Installation Services Revenue
- Recoverable Works (various) Revenue

The following amounts were derived using information directly from work code data:

- Special Meter Reading Direct O&M costs
- Meter Equipment Testing Direct Capex (further allocation of the work code between Alternative Control and AMI based on descriptions of transactions)
- Routine connections - customers below 100 amps Direct Capex (further allocation of the work code between Alternative Control and Standard Control based on descriptions of transactions)
- Total Public Lighting Direct O&M costs. Further breakdown into Efficient and Non-Efficient is based on the proportion of Efficient v Non-Efficient Revenues
- Non-energy efficient public lighting Direct Capex (there is no Efficient public lighting Direct Capex as this was all derived from customer contributions during the 2014 Regulatory Year).

Other methods:

- Unregulated Revenues are from Template 23 ‘Shared Assets’, plus a small amount from General Ledger data.
- Unregulated Direct O&M are extracted from the General Ledger. These are the costs incurred to generate the Shared Assets revenues as per Template 23. For any revenues which require apportioning in Template 23, the corresponding costs are apportioned utilising the same apportionment methodology.
- For the following remaining categories, the current Financial System does not separately capture the Direct O&M costs. Based on previous analysis performed by AusNet Services, it has been determined that no margins are incurred on these services. As a result, the costs that are reported in the template equate to the revenues earned for those services. The categories are:
    - Meter Investigation
    - Meter Conversion
    - Service Truck Visits
    - Embedded Generator Connection Charges
    - Supply Installation Services
    - Recoverable Works (various)

Estimated Information:

Estimated information was obtained for the Direct O&M Costs split between Efficient Public Lighting and Non-Efficient Public Lighting (however the Total Direct O&M costs for Public Lighting is actual information). The Financial System does not capture Efficient and Non-Efficient public lighting separately, however using the weighting of costs based on the split of revenues is considered management's best estimate.

The Unregulated Revenues and Direct O&M Costs consist of some apportionment in line with the methodology per Template 23 'Shared Assets'.

The remaining Direct O&M costs derived using the 'other methods' as described above is considered estimated information as the Financial System does not hold this level of detail. The assumption by suitable SMEs that no margin is earned on these services is considered the best estimate available.

15 Efficiency benefits sharing schemes

Efficiency benefits sharing schemes ("EBSS') exclusions have the meaning used in the 2011-15 Distribution Determination.

Table 1: Opex for EBSS Purposes

Preparation Methodology:

- Total Actual Opex and Debt raising costs are extracted directly from Template 1a 'Income Statement';
- Self insurance is extracted directly from Template 18 'Self Insurance';
- Superannuation defined benefit schemes are based on ABC results;
- DMIA costs is extracted directly from Template 17 'Demand Management Incentive Scheme';
- Pass through event costs relates to incremental spend which are allowed to be passed onto customers, e.g. increased asset inspection and incremental spend associated with Total Fire Ban days. This is extracted directly from Template 22 'Safety and Bushfire'; and
- GSL payments are extracted directly from the General Ledger and are also reported in Template 8a 'Operating Activities – total'.

Estimated Information:

DMIA costs are considered estimated as based on the assumptions outlined in Template 17.

Pass through costs are estimated based on the Template 22 Table 17 assumptions.

All other amounts are considered actual information.

Table 2: Explanation of Capitalisation Policy Changes

Preparation Methodology:

There were no items previously considered as opex but now considered to be capex.

Estimated Information:

None required.

16 Jurisdictional scheme payments

Jurisdictional scheme has the meaning given in clause 6.18.7A (d) of the NER.

Jurisdictional Scheme Payment is, in respect of a Jurisdictional Scheme, the amount AusNet Services is required under the Jurisdictional Scheme obligations to:

(a) pay to a person
(b) pay into a fund established under an Act of a participating jurisdiction
(c) credit against charges payable by a person
(d) reimburse a person

less any amounts recovered by AusNet Services from any person in respect of those amounts other than under the NER.

Preparation Methodology:

Data is extracted from Template 29 'Jurisdictional amount cost audit template', which is ultimately sourced from the billing system.

Estimated Information:

This is actual information.

17 Demand management incentive scheme

Table 1: DMIA expenditure in the regulatory reporting year

Preparation Methodology:

Relevant projects are identified by SMEs. The expenditures are identified as follows:

- Residential battery storage trial: Opex and capex amounts comprising 94% of the total project claim are derived directly from an internal project expenditure report. This report's source information is taken from the Financial System. The split of expenditure between opex and capex is based on an analysis of the nature of expenditure incurred – no estimation is required. A portion of additional opex is estimated to capture wider team costs incurred in designing the operation of the trial.
- Grid Energy Storage System (GESS) Trial: Opex amounts are derived directly from an internal expenditure report, where the information source is the Financial System, and no estimation is required. 91% of the total of the capex amount is sourced directly from internal project expenditure reports for the relevant capex projects. A portion of two additional capex projects is added – total expenditure is based on the internal expenditure report, and the amounts to allocate to DMIA are based on an SME analysis.
- Mallacoota Sustainable Energy Study: Opex amounts based on invoice information received from consultants. No capex amounts have been incurred.

Estimated Information:

Residential battery storage trial: The project set up within AusNet Services' Financial System captures the direct costs associated with procurement, commissioning and operation of the battery storage systems themselves, but its scope does not extend to the internal labour required for trial strategy, design, analysis and reporting. Labour for these costs is therefore not separately captured within the Financial System and does not appear in any expenditure reports. The estimate for these costs is based on analysis undertaken by the project manager and is calculated via a bottom up build of estimated labour hours and typical engineering labour unit cost rates. This process is considered commensurate with the value of the costs being claimed.

Grid Energy Storage System: The GESS is partly funded by DMIA and partly funded internally, according to the split between innovation value and network value. This split is judged to be 50-50. To administer these two funding sources, the overall capex project is structured internally as 2 separate projects, and major costs are allocated to each project by the project manager. In practice it was not feasible to separate all minor costs or book timesheet labour hours between each project, as many tasks had overlapping objectives. Therefore an estimation has been undertaken to apportion such costs at a 50% rate to the DMIA component. For example, the labour expenditure on both the DMIA project and the internally funded project was summated and then 50% of the total amount was allocated to the DMIA claim.

Table 2: DMIA expenditure in the previous reporting year

Preparation Methodology:

This was sourced directly from the 2013 Regulatory Accounts.

The opex and capex amounts for the Residential battery storage trial and Mallacoota Sustainable Energy Study were sourced in the same manner as performed for the 2014 Regulatory Year. The Solar Forecast Uptake Study was based on invoice information received from consultants. The GESS includes a portion of additional opex (16% of total claim) that is estimated to capture wider team costs incurred in designing the operation of the trial.

Estimated Information:

Residential battery storage trial is the same estimation process as explained in Table 1.

Grid Energy Storage System: The project set up within AusNet Services' Financial System captures the direct costs associated with procurement, commissioning and operation of the innovation component of the GESS, but its scope does not extend to the internal labour required for innovation trial strategy, design, analysis and reporting. Labour for these costs is therefore not captured within the Financial System and does not appear in any expenditure reports. The estimate for these costs is based on analysis undertaken by the project manager and is calculated via a bottom up build of estimated labour hours and typical professional labour unit cost rates. This process is considered commensurate with the value of the costs being claimed.

Mallacoota Sustainable Energy Study and Solar Forecast Uptake Study is actual information.

Table 3: Foregone revenue in the regulatory reporting year

Preparation Methodology:

None identified.

18 Self insurance

Self Insurance has the meaning the same as used in the 2011-15 Distribution Determination.

Table 1: Self insurance events with an incurred cost of greater than $100,000 per event

Preparation Methodology:

Self insurance costs are not separately captured in the Financial System. However, expenditure has been calculated by a suitable SME reviewing data in the relevant work codes and supporting information from contractor invoices.

In the 'Note' section of the template, further details of the disasters are provided, which are extracted from relevant websites.

Estimated Information:

No estimation required.

Table 2: Self insurance events with an incurred cost of less than $100,000 per event

Preparation Methodology:

None identified.

Table 3: Total self insurance that relate to regulated assets

Preparation Methodology:

No preparation required – formula links to Tables 1 and 2.

19 Change of accounting policy

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

Preparation Methodology:

There has not been a change in accounting policy for AusNet Electricity Services during the 2014 Regulatory Year; therefore no information is disclosed in this template.

Estimated Information:

N/A

20 Related party transactions

Table 1: Payments made by AusNet Services to related party under CONTROL or INFLUENCING ownership

Preparation Methodology:

Details regarding how the Related Party transaction amounts were determined are explained in the Table.

It is noted there is a significant drop in the amounts paid to SPI Management Services Pty Ltd in relation to Management Services in the 2014 Regulatory Year compared to the 2013 Regulatory Year. This is because on 1 April 2014, the Management Services Agreement with SPI Management Services was terminated. The associated termination payment (as detailed in the SPFR) is not allocated to the Regulated Distribution business.

The amounts paid to Enterprise Business Services (Australia) Pty Ltd also significantly dropped compared to the 2013 Regulatory Year because an agreement was reached between SPI Management Services Pty and AusNet Services to unwind the share information technology services provided to AusNet Services by EBS. This transition was completed on 30 June 2014.

Estimated Information:

None required.

Table 2: Composition of margins in relation to table 1

Provide, if separately identifiable the proportion of margins related to overhead costs and the proportion if any, that is related to assets used but not in the Distribution Businesses regulatory asset base.

Preparation Methodology:

Not separately identifiable therefore table left blank.

21 Advanced metering infrastructure

Data reported relates to non-contestable, regulated metering services only. This includes work performed by third parties on behalf of AusNet Services. Data in relation to contestable metering services has not been provided.

Table 1: Standard control asset base – metering

Preparation Methodology:

Opening values match the 2015 AMI Charges application.

Meter Capex

In relation to Meter Capex, the total expenditure was determined based on review of projects within the AMI work codes (extracted from the Financial System).

The dollar spend between 'Accumulation meters', 'Manually read interval meters' and 'Remotely read interval meters and transformers' was derived by apportioning the total meter expenditure based on the volumes of new meter installations by category.

IT Infrastructure Capex

IT Infrastructure Capex relates to costs associated with the AMI rollout. Costs based on review of projects within the AMI work codes (extracted from the Financial System).

Communications Infrastructure Capex

Communications Infrastructure Capex relates to costs associated with the AMI rollout. Costs based on review of projects within the AMI work codes (extracted from the Financial System).

There were no asset disposals or customer contributions relating to metering in the 2014 Regulatory Year.

Estimated Information:

Information provided in relation to 'Manually read interval meters' and 'Remotely read interval meters and transformers' is considered estimated information as this could not be extracted directly from the Financial System. Apportioning the costs based on the volumes of installations is considered management's best estimate of the information required.

Table 2a: Number of meters installed;

Table 2b: Cumulative number of meters;

Table 3: AMI meter reconciliation; and

Table 4: Number of meter read quantity - end of year

Basis of Preparation

2014 Regulatory Year

Preparation Methodology:

The 2014 column was populated using information directly from the Meter Asset Management System. It is noted the accumulation meters in Table 4 are higher than Table 2a. This is because AMI meters which were not logically converted were read as accumulation meters.

The 2013 column matches the 2013 Regulatory Accounts submission.

Estimated Information:

No estimation required.

22 Safety and bushfire related expenditure

Safety and bushfire related expenditure is the activities undertaken by AusNet Services to meet revised standards under the *Electricity Safety Act 1998*, arising from the recommendations of the Victorian Bushfire Royal Commission ('VBRC').

Table 1: Asset groups: definitions, cost-allocation basis and methodology

Preparation Methodology:

This table has remained unchanged compared to the 2013 Regulatory Accounts; except 1 new program has been added for 2014.

Table 2: Bushfire related expenditure (volumes)

Preparation Methodology:

The volumes for bushfire related expenditure are embedded in Table 3; hence no data is reported in Table 2.

Table 3: Safety related other - ESL, non ESL and ESMS (volumes)

Preparation Methodology:

Volumes are sourced from the AusNet Services' Asset Management System. These sources are used to report volumes internally and externally to ESV and the AER.

It is noted the 'Targeted replacement of Expulsion Drop Outs (EDOs)' includes 3,692 of VBRC pass-through units. If these units are removed, the actual volumes equal AER expected volumes.

The 'Targeted bird/animal proofing in High Bushfire Risk Area (HBRA)' includes 4,386 units completed before 2014 but have not previously been reported in previous years.

'Augment spans - habitat trees – HBRA' includes 146 spans which were not augmented, but the trees were cut instead. This means these are opex volumes instead of capex volumes.

For the following asset groups:

- 'Safe Climbing'
- 'Environmental Works'
- 'Protection & Controls'
- 'Zone Substation Augmentation - Various safety programs'

Units have been left blank. This is because generic units are not applicable as activities undertaken are project rather than unit based, and each project can differ in terms of nature and scope.

Estimated Information:

No estimates were required.

Table 4: Bushfire related expenditure ($ nominal - excluding margins and overheads)

Preparation Methodology:

The bushfire related expenditures are embedded in Table 5.

Table 5: Safety related other - ESL, non ESL and ESMS ($ nominal - excluding margins and overheads)

Table 7: Safety related other - ESL, non ESL and ESMS ($ nominal - margins and overheads)

Preparation Methodology:

Each project is allocated a Regulatory Category by a SME, during the same process for Table 1 of Template 3a 'Capex total'. All designated Environmental, Safety and Legal ("ESL") projects are then further allocated into the required asset groups, and also split into amounts which are a pass-through, not a pass-through, and government funded respectively. Any non-ESL projects which are safety and bushfire related as identified by a SME are also included in Tables 5 and 7.

Expenditure for each project is sourced from the Financial System.

Only non pass-through capex amounts are disclosed in Tables 5 and 7.

The amounts reported in Table 5 are exclusive of margins and overheads. The margins and overheads are separately reported in Table 7.

Estimated Information:

Once non pass-through projects have been identified, the subsequent allocation into the prescribed Asset groups required some estimations to be made by the SME.

Table 6: Bushfire related expenditure ($ nominal - margins and overheads)

Preparation Methodology:

The bushfires related Capex expenditures are embedded in Table 7; hence no data is reported in Table 6.

Table 8: Bushfire related expenditure ($ unit cost)

Preparation Methodology:

The bushfires related expenditure unit costs are embedded in Table 9; hence no data is reported in Table 8.

Table 9: Safety related other - ESL, non ESL and ESMS ($ unit cost)

Preparation Methodology:

Unit cost is derived by summing the Table 5 direct cost + Table 7 overhead cost, then dividing by number of units as reported in Table 3.

Where volumes reported in Table 3 include units completed in prior years ('Targeted bird/animal proofing in HBRA'), VBRC pass-through amounts ('Targeted replacement of EDOs') or are opex related ('Augment

spans - habitat trees – HBRA'), these volumes are adjusted prior to deriving the actual unit costs for 2014.

Estimated Information:

No estimates were required.

Table 10: Safety improvement outcomes reported to ESV (volumes)

Preparation Methodology:

Volumes are sourced from the AusNet Services' Asset Management System and project information. These sources are used to report volumes internally and externally to ESV and the AER.

Estimated Information:

No estimates were required.

Table 11: Reconciliation of safety improvement outcomes reported to ESV and AER (volumes)

Preparation Methodology:

Table 11 links through to tables 10, 3 and 2 directly. Outcomes reported to ESV and AER are identical, therefore no variances are identified.

Table 12: Bushfire-related expenditure - approved under pass-through applications (volumes)

Preparation Methodology:

Volumes are sourced from the AusNet Services' Asset Management System. These sources are used to report volumes internally and externally to ESV and the AER.

Estimated Information:

No estimates were required.

Table 13: Bushfire-related expenditure pass-through applications ($ nominal - excluding margins and overheads)

Table 14: Bushfire-related expenditure pass-through applications ($ nominal - margins and overheads)

Preparation Methodology:

Same process as Table 5 however only the pass through amounts are reported in Table 13. Their overheads and margins reported in Table 14.

Estimated Information:

No estimates were required.

Table 15: Bushfire-related expenditure - government funded ($ nominal - excluding margins and overheads) CAPEX

Table 16: Bushfire-related expenditure - government funded ($ nominal - margins and overheads) CAPEX

Preparation Methodology:

Powerline Replacement Extreme Fire Area capex amounts are sourced from the Financial System.

Estimated Information:

No estimates were required.

Table 17: Bushfire-related expenditure pass-through applications ($ nominal) OPEX

Preparation Methodology:

'Spacers survey' opex and 'EDO fuse tube replacements' amounts were extracted directly from the Financial System.

The 'changes to inspection cycle opex' amount is not tracked separately in the Financial System, therefore an estimate is required.

Operational costs on TFB days' opex amount is based on actual external contracts costs plus an estimate of internal employees' time and cost.

Estimated Information:

The 'changes to inspection cycle' opex amount is estimated data. The best estimate management can provide is assuming the actual expenditure is equal to the approved expenditure.

For TFB days, associated cost included an estimate of the number of employees allocated on the TFB days and the time spent, as these activities were not project or timesheet coded.

23 Shared assets

Shared assets are those assets that are used to provide both standard control services and unregulated services. In some circumstances this may reflect revenue apportionment in line with the AER's Shared Asset Guideline.

A division of AusNet Services is Select Solutions, who provide metering, data and asset management solutions, including integrated mobile and spatial technologies. They perform unregulated services, and are part of the 'AusNet Services Holdings Pty Ltd' consolidated group.

Table 1: Total unregulated revenue earned with shared assets

Table 2: Shared asset unregulated services and apportioned revenue

Preparation Methodology:

All Shared Asset Unregulated Services except Site Leasing

Based on information included in the AER Guidelines, an appropriate SME identified assets which are considered Shared Assets. A review of all external revenue sources was conducted to identify the assets used to provide the service and whether those assets were acquired using Regulated Capex. This information was validated and reviewed by appropriate SMEs.

Once the shared assets and associated revenue streams were established, information from the Financial System was used to determine the revenue on a calendar year basis for those unregulated services. The revenue reported includes the full amount of unregulated revenue from providing the shared asset service, not just the component attributable to the use of shared assets.

The following adjustments are made to certain categories of unregulated revenue from the use of shared assets:

- Contestable metering contains an element of revenue that is not derived from providing a contestable service but acts as a cost pass through arrangement for the use of consultants. A mechanism exists whereby if the use of a consultant results in winning new work, the charge for that consultant is passed onto the customer through AusNet Services. The consultant will charge AusNet Services and AusNet Services will charge the customer the same amount creating a cost pass through arrangement. This revenue stream is excluded for the purposes of this submission. Invoice information was used to determine the amount to be excluded from Shared Asset Revenue.
- Utility materials management and fibre optic cable leasing revenues require apportionment across AusNet Services' networks. The utility materials management is provided using the corporate IT systems funded by the networks, and the percentage to apportion to the Electricity Distribution network is based on the business cases of the IT systems. The fibre optic cable leasing revenues is allocated to the Electricity Distribution business based on information contained in the lease agreement.

Site Leasing

In relation to Shared Asset Revenue generated from 'Site Leasing – Zone Substation', using reports generated from the Property Asset Management System, it was determined that there was one Lease

Revenue stream in place on Zone Substation land.

The information reported in the 2014 calendar year was sourced from the lease contract in place with the current tenant. The revenue reported is based on actual amounts invoiced to the tenant (which includes an annual escalation percentage applied from July 2014, in accordance with the terms of the lease agreement).

Estimated Information:

All information is actual information with the exception of utility materials management and fibre optic cable leasing revenues which require apportioning to the Electricity Distribution network as the assets are used across AusNet Services' networks. The percentages used to apportion are considered management's best estimates.

24 Unmetered supply tariff quantity data template (actual t-2)

Preparation Methodology:

Information is directly extracted from Table 3 of Template 2 'Demand and Revenue'.

Estimated Information:

Same assumptions as applied in Table 3 of Template 2 - It is assumed Revenue/Price is a valid manner in which to report volumes. This methodology is used to report customer numbers in AusNet Services' annual tariff submissions.

25 Tariff quantity data template (actual t-2) distribution tariff revenue

Preparation Methodology:

Quantities are sourced from the billing system.

Distribution tariffs are sourced from the 2014 calendar year's approved tariff submission.

The reported volume workbook has the required breakdowns (e.g. peak, off-peak, by tariff, etc.), although some tariffs in the reported volume workbook roll up into a 'parent'-style tariff in the Regulatory Accounts template. For example, NEE11 in the regulatory accounts is comprised of NEE11, NEE13, NEE14 and NEE15 in the source information.

To populate the volumes, the relevant sheets from the reported volume workbook are imported into a working file that also contains the tariff templates. The tariff templates are then linked to the supporting information such that, for example, the volumes reported against tariff code NEN21 in the tariff template are the same as that reported in the reported volume workbook.

Revenue is derived by multiplying price x volume.

Customer numbers are derived by dividing standing charge revenue by standing charge price.

Estimated Information:

It is assumed that Revenue/Price is a valid manner in which to report customer numbers.

26 Tariff quantity data template (actual t-2) transmission tariff revenue

Preparation Methodology:

Quantities are sourced from the billing system.

Transmission tariffs are sourced from the 2014 calendar year's approved tariff submission.

Link customer numbers and volumes to *Template 25 – Actual t-2 Distr Tariff.*

Revenue is derived by multiplying price x volume.

Estimated Information:

No estimations required.

27 TUoS cost audit template (t-2)

HV Crossings are payments/receipts for energy transferred utilising AusNet Services' HV and LV line assets.

Sub-transmission Crossings are payments/receipts for the sub-transmission assets in shared loops that support each distributor's Zone Substation capacity to ensure N-1 reliability is maintained.

TUoS Adjustment is payments/receipts for the adjustment of TUoS paid by a distributor for energy delivered to another distribution business through a shared loop.

Preparation Methodology:

The source of the information to populate the 'TUOS charges (AEMO)' table is from AEMO monthly invoices.

To populate the table 'Transmission connection fees (AusNet Transmission Group)', the listing of connection fees and t-2 actual values were sourced from AusNet Services monthly invoices. No adjustments were required to be made to the fees.

'Cross boundary network charges (internetwork charges)' is sourced from invoices and supporting files. The amounts (payable)/receivable from United Energy (Vic) are estimates based on and equal to 2012/13 completed payments. The (payable) and receivable amount for Jemena is based on metered data for each crossing. Essential Energy have not billed for 9 months of 2014 and access to meter data is not available, therefore the payable amounts is based on the average amounts billed for 3 months during 2014 and are all related to metered HV crossings.

Payments to embedded generators – avoided transmission costs are sourced from invoices for the Network Support contract; 50% of 2013/14 invoices and 50% estimated for 2014/15.

For the table 'Payments to embedded generators - avoided TUoS usage charges', the listing of projects is sourced from records of generators connected to the network. The charges for all projects (except Bald Hills) are all based on Financial Year 1 July 2013 – 31 June 2014 actual charges for each projects as per the billing system. The charges for Bald Hills (wind farm) are an estimate assuming it achieves a similar output performance as Toora Wind Farm.

Estimated Information:

Estimated information was required for 'Cross boundary network charges (internetwork charges)' – United Energy and Essential Energy amounts because actual information could not be obtained as these amounts are not yet billed and data to estimate precisely is not available in AusNet Services systems. The method to calculate the total (payable)/receivable and allocation into HV crossing, sub-station and TUoS adjustment was based on actual prior payments, which is the best estimate management can provide.

'Payments to embedded generators' – all charges amounts are estimated because final charges for the 2014 calendar year are not resolved until the completion of the 2014/15 summer period. The best estimate of Regulatory Year 2014's charges is based on the most recent financial year's actual charges. As Bald Hills has only been in operation during the 2014 Regulatory Year, it does not have matching

financial year equivalents. Therefore the best estimate management can make of its Regulatory Year 2014 charges are based on a similar project, Toora Wind Farm.

All other information is considered actual information.

28 Tariff quantity data template (actual t-2) jurisdictional scheme tariff revenue

Preparation Methodology:

Quantities are sourced from the billing system.

Jurisdictional scheme tariffs are sourced from the 2014 calendar year's approved tariff submission.

Link customer numbers and volumes to *Template 25 – Actual t-2 Distr Tariff.*

Revenue is derived by multiplying price x volume.

Estimated Information:

None required.

29 Jurisdictional amount cost audit template

Preparation Methodology:

Data is sourced from the billing system.

Solar tariff codes are segregated between the two feed-in schemes for which AusNet Services is responsible for providing rebates – PFIT and TFIT. To populate this template, the billed volumes in the respective PFIT and TFIT tariff codes are added together and multiplied by the relevant cents per kilowatt hour rate.

Estimated Information:

None required.

NON-FINANCIAL INFORMATION TEMPLATES

Supporting data used for Sheets 1a, 1c, 1e

Reliability Information is reported for unplanned interruptions which is an interruption due to an unplanned event. An unplanned event is considered an event that causes an interruption where the customer has not been given the required notice for the interruption or where the customer has not requested the outage.

An interruption is any loss of electricity supply to a customer associated with an outage of any part of the electricity supply network, including generation facilities and transmission networks, of more than 60 seconds, including outages affecting a single premise. Momentary interruptions last for 60 seconds or less.

The customer interruption starts when recorded by equipment or, where such equipment does not exist, at the time of the first customer call relating to the network outage. An interruption may be planned or unplanned, momentary or sustained. Subsequent interruptions caused by network switching during fault finding are not included. An interruption ends when supply is again generally available to the customer.

To prepare sheets 1a (STPIS data reporting – reliability), 1c (STPIS data reporting – daily reporting data) and 1e (STPIS data reporting –exclusions), three supporting reports are first prepared. The basis of preparation for those sheets should be read in conjunction with this section.

The process undertaken to produce these supporting reports is described below.

Feeder Classification

- Obtain Feeder Maximum Demand (MVA) from Network Strategy and Planning (Region Planners).
- Obtain the year-end feeder level summary for overhead and underground line length SDME Support Team via IT Helpdesk.
- Feeders were classified to either Urban, Short Rural or Long Rural:
    - Urban Feeder: $\frac{Maximum\ Demand\ (MVA)}{Overhead+Undergraound\ Length\ (km)}$ > 0.3 MVA/km
    - Short Rural Feeder is not an urban feeder with total Overhead and Underground line length less than 200 km.
    - Long Rural Feeder is not an urban feeder with total Overhead and Underground line length greater than 200 km.

Customer Count Estimation Process

- Obtain Customer Count by Feeder report Poweron Fusion. This report is automatically generated every first day of each month.
- The CY2014 average customers count is estimated by :

$$\frac{Customer\ Count\ on\ 1\ Jan\ 2014 + Customer\ Count\ on\ 1\ Jan\ 2015}{2}$$

Network Outage Summary

- Extract the 2014 Network Outage Summary Report from Poweron Fusion. Ensure that all incident status is equal to “Completed”. This status is attained once all data clean-up and validation have been carried out by CEOT Data Analysts.
- Transmission and Sub-transmission related incidents in Poweron Fusion reports currently require CEOT Data Analysts to obtain the breakdown of the affected feeders. The breakdown list contains information on the customer interruptions and customer minutes off supply (CMOS) on each affected feeder.
- To distinguish between Unplanned and Planned outages in the Network Outage Summary Report, apply the following filters to field name “Classification” as follow:
- Planned Outages = Planned HV Incident ; Planned LV Incident
- Unplanned Outages <> Planned HV Incident ; Planned LV Incident
- If no cause has been recorded in an incident, cause group of “Other” is applied.
    - All Incidents related to the below feeders were excluded in RIN report. BM8B31, BM8B32, BM8B33BM8B32
- The MED threshold for 2014 was calculated from supply interruption data between years 2009 to 2013. If the USAIDI on one particular day exceeds the MED threshold value, it will be classified as a Major Event Day (MED).
- Below incidents were reported in the STPIS exclusions list:
    - Transmission-related incidents. During the course of the year transmission events that affected the distribution network are monitored and recorded.
    - Selected supply interruptions that occurred during the Total Fire Ban (TFB) day as a result of the mandatory suppression of reclose functions on protective devices in areas covered by a TFB declaration.
- Estimated momentary outages from non-telemetered devices were manually added to the Network Outage Summary report. Since these events have unknown dates, all Cyclo-related events assume a date of 31 December 2014 for recording purposes.

1a STPIS data reporting - reliability

System Average Interruption Duration Index (SAIDI) is, as per the STPIS: the sum of the duration of each sustained interruption (in minutes) divided by the total number of distribution customers as defined in the service target performance incentive scheme.

System Average Interruption Frequency Index (SAIFI) is, as per the STPIS: the total number of sustained interruptions divided by the total number of distribution customers as defined in the service target performance incentive scheme.

Momentary Average Interruption Frequency Index (MAIFI) is, as per the ESCV's Information specification (Service performance) for Victorian Electricity Distributors, 1 January 2009, p. 30: 'The total number of momentary interruptions divided by the total number of distribution customers.'

A Distribution Customer is a distribution customer (with active accounts) with an active National Metering Identifier (NMI).

Preparation Methodology:

From the Network Outage Summary report obtained from the Poweron Fusion application, create a summary table of unplanned outages for Customer Interruptions (sustained and momentary) and CMOS by feeder classification (i.e. Urban, Short Rural, Long Rural). A similar table less all exclusions is also created. The SAIDI, SAIFI and MAIFI values are calculated using the average customer count by feeder classification.

Estimated Information:

No estimation required.

1b STPIS data reporting - customer service

Total number of calls is the total number of calls to the fault line to be reported, including any answered by an automated response service and terminated without being answered by an operator. It excludes missed calls where the fault line is overloaded.

A call to the fault line answered in 30 seconds is measured from when the call enters the telephone system of the call centre (including that time when it may be ringing unanswered by any response) and the caller speaks with a human operator, but excluding the time that the caller is connected to an automated interactive service that provides substantive information. This measure does not apply to:

(a) calls to payment lines and automated interactive services

(b) calls abandoned by the customer within 30 seconds of the call being queued for response by a human operator (where the time in which a telephone call is abandoned is not measured, then an estimate of the number of calls abandoned within 30 seconds will be determined by taking 20 per cent of all calls abandoned).

Being placed in an automated queuing system (automated or otherwise) does not constitute a response.

Table 1: Telephone answering

Preparation Methodology:

This data is derived from sheet 1c – Daily Performance data. . Number of phone calls received exclude calls to payment lines/automated interactive services and calls abandoned within 30 seconds, per the STPIS Guidelines. These calls are removed by separately identifying them in the data extract from Avaya (see basis of preparation for Sheet 1c). MED days are deducted using a formula linking to the daily performance data.

Estimated Information:

No estimation required.

Table 2: New connections

Preparation Methodology:

New connections data is sourced from AusNet Services' SAP software. New connections are defined as those connections comprising a brand new meter and connection of supply. This does not include re-energisations. There are two standard reports which form the basis of the reporting:

- a Service Order Report, which is generated for a selected Order Status ('completed') and period (calendar year 2014)
- a Running Operations Report, which is generated to identify service orders that have not been completed by the appointment date.

The output of these reports is entered directly in Table 2.

AusNet Services procedure document 'New Connections Reporting' (Work Instruction ID 8.1.4.01) contains detailed instructions for these operations.

Estimated Information:

No estimation required.

Table 3: Streetlight Repair

Preparation Methodology:

Total number of Streetlights

System data for this figure is published from Fusion DOMs monthly into the Engineering Strategy\Public Lighting network folder as a .txt file. The file is opened using Excel and a pivot table created to detail the total number of street lights on the network.

Total number of Streetlight faults

Each month the Fusion DOMs system produces a report on the total number of faults reported during the month. This figure is determined by filtering the report for all streetlight-specific faults listed in quarterly reports issued in 2014, under “Trouble Symptom” column categories “Failure Adjacent”, “Area Out”, “Not applicable”, “Single Outside” and “Found by patrol”.

Total number of Streetlight faults reported by a person who is the occupier of a neighboring residence

Using the Fusion DOMs report, the “Trouble Symptom” column is filtered on the 2 location categories “Single outside” and “Failure adjacent”. This figure includes all faults under these 2 categories from January to December 2014.

Faulty Streetlights not repaired within 5 business days of a fault report or agreed date

From the same Fusion DOMs report, this figure is determined by filtering the streetlight-specific categories “Single outside”, “Failure Adjacent”, “Area Out”, “Found by patrol” and “Not applicable” under the “Trouble Symptom” column. The number of business days to complete is calculated based on the “Start” and “Field completion” dates, which are then sorted from largest to smallest to determine the number of faults not repaired within 5 business days. AusNet Services has not historically recorded the agreed date for streetlight repair, but has asked its contractor to record this in future.

Estimated Information:

No estimation required.

1c STPIS data reporting - daily performance data

Daily performance data contains AusNet Services' daily performance on MAIFI and customer service metrics for each day between the period 1 January 2014 and 31 December 2014.

Table 1: Daily performance data

Preparation Methodology:

MAIFI data

From the Network Outage Summary report obtained from the Poweron Fusion application, a daily summary of customer interruptions caused by momentary outages by feeder classification (i.e. Urban, Short Rural, Long Rural) is generated. Momentary outages only apply to the following event classifications: Transmission Trip, Sub-transmission Trip, Feeder CB, Recloser Trip, Sectionaliser Trip and OCT Cyclo. A momentary outage has an outage duration = 0. The daily MAIFI from each feeder classification was calculated using the average customer count by feeder classification.

Customer service data

System data for this report is extracted from Avaya CMS Supervisor Reporting tool (Avaya is the current telephony system provider) and the IPScape Reporting Interface (IPScape are the current IVR Platform Provider).

The following reports are run for each of the columns:

- **Number of calls received:** As per the STPIS Guidelines, this excludes calls to payment lines/automated interactive services and calls abandoned within 30 seconds. These are identified as follows:
  - **Calls received excluding calls to payment lines/automated services:** This is calculated by running the Call Profile Daily Faults report (Avaya CMS) by day from Jan 1, 2014 – Dec 31, 2014 on the following electricity fault call queues; Wire Down, Streetlights, Life Threatening, Electricity Faults
  - **Calls abandoned within 30 seconds:** Call Profile Daily Faults report (Avaya CMS) ran per day from Jan 1, 2014 – Dec 31, 2014 on the following electricity fault call queues; Wire Down, Streetlights, Life Threatening, Electricity Faults
- **Number of calls answered in 30 seconds:** Call Profile Daily Faults report (Avaya CMS) ran per day from Jan 1, 2014 – Dec 31, 2014 on the following electricity fault call queues; Wire Down, Streetlights, Life Threatening, Electricity Faults.

Estimated Information:

No estimation required.

1e STPIS data reporting - exclusions

Exclusions refer to those outages that AusNet Services has applied to the AER to be excluded from the calculation of its network reliability performance, under the terms of the STPIS.

Table 1: Exclusions

Preparation Methodology:

From the Network Outage Summary report obtained from the Poweron Fusion application, all Transmission and selected TFB related events are identified. A summary of these events is then created by event date and sequence of occurrence. For each feeder affected, the number of customer interruptions (CI) and CMOS is summated. The average interruption duration is calculated by dividing CMOS with CI for each event.

Estimated Information:

No estimation required.

1f STPIS data reporting – guaranteed service levels

The applicable GSL scheme for AusNet Services is the one included within the Victorian Electricity Distribution Code. This GSL scheme is referred to as the 'jurisdictional GSL scheme' in the reporting template. The AER GSL scheme does not apply to AusNet Services.

Table 1: Guaranteed Service Levels – jurisdictional GSL scheme

Preparation Methodology:

Appointments and Connections

Appointments and new connections data is recorded in AusNet Services' SAP software. Within SAP, the 'Review GSL Products' module holds the relevant data for this section.

Once this data is has been entered into SAP, it is reviewed on a daily basis by the New Connections team and should a GSL entry be accepted by the team, it is manually transferred to a monthly GSL spreadsheet. Each GSL entry is assessed against the applicable criteria for awarding a GSL and can be rejected in the event that there are defects on the customer's site, no supply at the premises, or the customer has cancelled the appointment.

At the end of each month, the GSL report is finalised by generating a new connection and truck appointment report in SAP, which returns the total number of connections and truck appointments for that month. Based on this, the percentage of service orders completed on time can be calculated.

To populate the RIN template, the monthly GSL reports are summed to return the annual figure.

AusNet Services procedure document 'GSL Reporting'(Work Instruction ID 8.1.2.02) contains detailed instructions for these operations.

Reliability of Supply

Reliability of supply data is sourced from AusNet Services' Distribution and Outage Management System (DOMS). The information is extracted using a standard report entitled 'LR Payments All Detailed'. The output of this standard report includes the number of GSL events for each category (e.g. low reliability payments – 20 hours).

The number of events in each category is then multiplied by the applicable GSL payment (e.g. $100) to determine the amount paid under each GSL category.

Public lighting

"Street lights" and "street lights out" are linked to sheet 1b STPIS Customer Service.

Streetlights not repaired by "fix-by" date:

> The "fix-by" date is assumed to be the agreed date for repair of a faulty light between AusNet Services and the person that reported the fault. The Fusion DOMs report does not specifically detail this information, therefore a value cannot be determined under this item.

AusNet Services will seek to implement a mechanism to determine an agreed date of repair and report measures against this item in 2015.

Should a measure be required, the default time of 2 days could be used based on the Public Lighting Code for GSL payments. This figure would be determined by filtering the "Trouble Symptom" column in the Fusion DOMs report for all faults under "Single Outside" and "Failure Adjacent" and sorting the "Network Days" (referring to the business days to repair) from largest to smallest, for each quarterly report.

Streetlights not repaired in 2 business days:

From the Fusion DOMs report, this figure is determined by filtering the streetlight-specific categories "Single outside" and "Failure Adjacent" under the "Trouble Symptom" column, as well as all incidents with a valid NMI. The number of business days to complete is calculated based on the "Start" and "Field completion" dates, which are then sorted from largest to smallest to determine the number of faults not repaired within 2 business days.

Streetlights average number of days to repair:

This figure is assumed to be the average business days to repair faulty GSL applicable street lights in 2014, and is determined by filtering the "Trouble Symptom" column in the Fusion DOMs report for all faults under "Single outside" and "Failure Adjacent" for each quarterly report. Then, the average "Network Days" are calculated for the number of faults.

Number and dollar value of GSL payments:

The number of payments to public residents who qualify for a missed GSL is determined by the reviewing the data provided by AusNet Services' public lighting contractor. Each outage not rectified within 2 days is reviewed and if the information provided aligns with the criteria in the Public Lighting Code, the GSL is considered payable.

The number of GSLs paid is multiplied by the mandated $10 GSL payment to calculate the total amount paid in GSLs.

Estimated Information:

No estimate is required.

2 Customer service

Table 1 Quality of supply

For rows 9-14 in Table 1, AusNet Services only has data for row 10 – customers receiving over-voltage – due to high voltage injection. Rows 15-22 (voltage variations) are able to be populated in full.

Preparation Methodology:

Customers receiving over-voltage – due to high voltage injection

The data is sourced from AusNet Services' Issues Management System (IMS). Equivalent data is reported to Energy Safe Victoria, as described in Standard Operating Procedure 30-2010 Electrical Incident Investigation and Reporting for Electricity Distribution Network. SOP 30-2010 defines high voltage injection as "Any damage to customer's property caused by HV injection even if only one item of equipment is damaged. Monetary value is not relevant. Includes damage to AusNet Services metering equipment."

Incidents of this nature are therefore flagged as high voltage injection incidents in IMS and to populate the template, the monthly totals generated via an electrical incident report are summed together to result in an annual figure.

Voltage variations

This data is sourced from EDMI Smart Meter Recorded Data. To populate the template the following process is followed:

- Download EDMI Smart Meter Recorded Data – by the DMS Group
    - Maintain separate data file for each EDMI meter installed at the zone substations and feeder extremities at the DMS group Drive "Quality of Supply on rchnas002\BCN_networks network drive". These data files are identified by the unique meter number and with extension of ".ssl" or ".pqt". Example "200002950.ssl" or "9917147.pqt".
    - If the meter or location of the meter is changed then a new file will be started in the server with the new meter number and inform the details of the new meter to the Asset Analytics Engineer.
    - Download the recorded voltage variation data from EDMI smart meters installed at zone substations and feeder extremities and add this data to the existing data files in the DMS Drive.

- Preparation of Smart Meter Data for RIN Power Quality Report

    - AusNet Services monitors both Zone Substation and Feeder Extremity meters at the secondary side of station power and customers substation, respectively. For this reason, all voltage variation events are to be calculated based on the <1kV voltage criteria in Standard Nominal Voltage Variations table above.

        - Number of voltage variations from the steady state – Voltage variations with duration ≥1 minute and 106%<Voltage amplitude<94%.
        - Number of voltage variations with 10Seconds≤durations<1minute and 110%<Voltage amplitude<90%.

  - Number of voltage variations with 0.5cycles≤duration<10 Seconds and 120%<Voltage amplitude<0%.

- Preparation of ION PQ Data to Prepare AER Annual Report
  - ION meter data is to be stored in a database, which can be interrogated using ION Enterprise software.

Estimated Information:

No estimation required.

Table 2 Complaints - technical quality of supply

Preparation Methodology:

Complaints data is stored within IMS. When a complaint is lodged, one of the mandatory fields is 'complaint category' which includes 'technical quality of supply'.

Complaints relating to technical quality of supply are exported to a spreadsheet and filtered by 'complaint type' – another field which provides further details of the nature of the complaint. Complaints related to TV and radio interference are specifically captured and are able to be transferred to the template. Other complaint categories and the likely causes of complaints are estimated by the Customer Resolutions Manager, based on further analysis of the data.

Estimated information:

Complaints by likely cause, and the complaint categories excluding TV and radio interference, are estimated. This estimation is based on a combination of forensic analysis of individual complaints on a case-by-case basis and the Customer Resolutions Manager uses his best judgment to assign complaints to the categories required.

Table 3 Customer Service

Parts of this table are sourced directly from audited data. Refer to the basis of preparation of audited data. The preparation methodology for unaudited information is described below.

Preparation Methodology:

Timely repair of faulty streetlights

The average monthly number of streetlights out is calculated by dividing the total number of streetlight faults (Table 3 in the audited 1b. STPIS Customer Service sheet) by 12.

The average number of days to repair is determined by filtering the "Trouble Symptom" column in the Fusion DOMs report (refer audited basis of preparation) for all faults under "Single outside", "Failure Adjacent", "Area Out", "Found by Patrol" and "Not applicable" for each quarterly report. Then, the average "Network Days" are calculated for the number of faults.

Call centre performance

Average waiting time before calls are answered is calculated by running the 'Historical Split/Skill Summary Monthly' report from the Avaya call centre system. This report contains average speed of answer and number of calls queued for each month, by call queue (Electricity Faults, Wire Down, Life Threatening and Streetlights). The weighted average of all queues/months is reported in the template.

Calls abandoned – percentage is obtained from the same report, using the Total Abandoned and Total Offered fields. Total Abandoned divided by Total Offered = the percentage abandoned.

Number of overload events is calculated as those instances where there is a variance of greater than 50 calls between the Telstra Analyser 'Call Activity By Product & Service' Report (total calls to fault line per day) and the IPScape 'Total Calls Per Day' Report (total calls received by the IVR per day).

Customer complaints (number)

Complaints data is stored within IMS. When a complaint is lodged, the mandatory field 'complaint category' is recorded. To report against the categories in Table 3, complaints are exported to a spreadsheet and filtered by the 'complaint category' field which is directly transferred to the spreadsheet.

Estimated Information:

No estimation required.

Supporting data used for Sheets 4a and 4c

Reliability Information is reported for unplanned interruptions which is an interruption due to an unplanned event. An unplanned event is considered an event that causes an interruption where the customer has not been given the required notice for the interruption or where the customer has not requested the outage.

A sustained interruption is any loss of electricity supply to a customer associated with an outage of any part of the electricity supply network, including generation facilities and transmission networks, of more than 60 seconds, including outages affecting a single premise. Momentary interruptions last for 60 seconds or less.

The customer interruption starts when recorded by equipment or, where such equipment does not exist, at the time of the first customer call relating to the network outage. An interruption may be planned or unplanned, momentary or sustained. Subsequent interruptions caused by network switching during fault finding are not included. An interruption ends when supply is again generally available to the customer.

To prepare sheets 1a (STPIS data reporting – reliability), 1c (STPIS data reporting – daily reporting data) and 1e (STPIS data reporting –exclusions), three supporting reports are first prepared. The basis of preparation for those sheets should be read in conjunction with this section.

The process undertaken to produce these supporting reports is described below.

Feeder Classification

- Obtain Feeder Maximum Demand (MVA) from Network Strategy and Planning (Region Planners).
- Obtain the year-end feeder level summary for overhead and underground line length SDME Support Team via IT Helpdesk.
- Feeders were classified to either Urban, Short Rural or Long Rural:
    - Urban Feeder: $\frac{Maximum\ Demand\ (MVA)}{Overhead+Undergraound\ Length\ (km)}$ > 0.3 MVA/km
    - Short Rural Feeder is not an urban feeder with total Overhead and Underground line length less than 200 km.
    - Long Rural Feeder is not an urban feeder with total Overhead and Underground line length greater than 200 km.

Customer Count Estimation Process

- Obtain Customer Count by Feeder report Poweron Fusion. This report is automatically generated every first day of each month.
- The CY2014 average customers count is estimated by :

$$\frac{Customer\ Count\ on\ 1\ Jan\ 2014 + Customer\ Count\ on\ 1\ Jan\ 2015}{2}$$

Network Outage Summary

- Extract the 2014 Network Outage Summary Report from Poweron Fusion. Ensure that all incident status is equal to “Completed”. This status is attained once all data clean-up and validation have been carried out by CEOT Data Analysts.
- Transmission and Sub-transmission related incidents in Poweron Fusion reports currently require CEOT Data Analysts to obtain the breakdown of the affected feeders. The breakdown list contains information on the customer interruptions and customer minutes off supply (CMOS) on each affected feeder.
- To distinguish between Unplanned and Planned outages in the Network Outage Summary Report, apply the following filters to field name “Classification” as follow:
- Planned Outages = Planned HV Incident ; Planned LV Incident
- Unplanned Outages <> Planned HV Incident ; Planned LV Incident
- If no cause has been recorded in an incident, cause group of “Other” is applied.
    - All Incidents related to the below feeders were excluded in RIN report. BM8B31, BM8B32, BM8B33BM8B32
- The MED threshold for 2014 was calculated from supply interruption data between year 2009 to 2013. If the USAIDI on one particular day exceeds the MED threshold value, it will be classified as a Major Event Day (MED).
- Below incidents were reported in the STPIS exclusions list:
    - Transmission-related incidents. During the course of the year transmission events that affected the distribution network are monitored and recorded.
    - Selected supply interruptions that occurred during the Total Fire Ban (TFB) day as a result of the mandatory suppression of reclose functions on protective devices in areas covered by a TFB declaration.
- Estimated momentary outages from non-telemetered devices were manually added to the Network Outage Summary report. Since these events have unknown dates, all Cyclo-related events assume a date of 31 December 2014 for recording purposes.

4a Network performance - annual feeder reliability

From the Network Outage Summary report, create a summary table for each feeder that was affected by planned, unplanned and momentary interruption. Momentary interruptions only apply to the below event classifications: Feeders Trip, Sub—transmission Trip and Transmission Trip. Events to be excluded were identified in Section 1e STPIS Exclusion. For each feeder affected, summate the number of CMOS and SAIFI. Count of outages per feeder is calculated by the count of incidents associate with each feeder.

The Low Reliability Feeder (SAIDI) is estimated as follows:

- Feeder SAIDI = $\frac{Unplanned\ CMOS\ (All\ Events) + Planned\ CMOS\ (All\ Events)}{Count\ of\ Customers\ per\ Feeder}$
- Feeder MAIFI = $\frac{Sum\ of\ Customer\ Interruptions\ (All\ Events)}{Count\ of\ Customer\ per\ Feeder}$
- If the calculated Feeder SAIDI and/or Feeder MAIFI is > than the Low Reliability Thresholds, feeder will be considered as a low reliability feeder.

4c Network performance – reliability – planned outages

From the Network Outage Summary report, create a summary of planned outages per feeder classification (i.e. Urban, Short Rural, Long Rural). The SAIDI value per network categorisation is calculated by dividing the Sum of CMOS with the end of year count of customers per feeder classification. The SAIFI value per network categorisation is calculated by dividing the Sum of Customer Interruptions with the end of year count of customers per feeder classification.