

ERGON ENERGY



**Category Analysis
Regulatory Information
Notice**

Submission (Audited)
1 July 2016 to 30 June 2017

31 October 2017

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CONTENTS

GLOSSARY	4
1. INTRODUCTION	6
2. CONFIDENTIAL INFORMATION	8
2.1 Requirement	8
2.2 Response.....	8
3. DATA TEMPLATES	9
3.1 Requirement	9
3.2 Ergon Energy 2016-17 Category Analysis RIN Templates	9
3.2.1 Completed RIN Templates	9
3.2.2 Key Information Systems Used	10
4. BASIS OF PREPARATION	14
4.1 Requirement	14
4.2 Basis of Preparation Applied By Ergon Energy	14
4.2.1 Addressing Minimum Requirements	14
4.2.2 Additional Requirements	15
5. AUDIT AND REVIEW REPORTS	16
5.1 Requirement	16
5.2 Response.....	16
6. STATUTORY DECLARATION	18
6.1 Requirement	18
6.2 Response.....	18
7. APPENDIX A – LIST OF ATTACHMENTS	19

GLOSSARY

ACRONYM	GLOSSARY TERM
Ergon Energy 2016-17 Category Analysis RIN	Ergon Energy's 2016-17 Category Analysis Regulatory Information Notice
ACS	Alternative Control Services
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Annual Reporting RIN	Annual Reporting Regulatory Information Notice
Augex	Augmentation (capital) expenditure
CAC	Connection Asset Customer
CAM	AER approved Cost Allocation Method
CAMP	Cost Allocation Methods and Procedures
Capex	Capital expenditure
CBD	Central business district
DNSP	Distribution Network Service Provider
EEQ	Ergon Energy Queensland Proprietary Limited
EG	Embedded Generator
Ergon Energy	Ergon Energy Corporation Limited
Excel	Microsoft Excel
GIS	Geographic information system
HV	High voltage
ICC	Individually Calculated Customer
J-AMIT	Joint Asset Management Inspection Tool
KM	Kilometre
kW	Kilowatt
kV	Kilovolt
kVa	Kilovolt-amps
LNSP	Local Network Service Provider
LR	Long Rural
LV	Low voltage
MDA	Meter Data Agent
MDP	Meter Data Provider
MED	Major event day

ACRONYM	GLOSSARY TERM
MVA	Megavolt ampere
MW	Megawatt
NEL	National Electricity Law
NER	National Electricity Rules
NMI	National Metering Identifier
Nominal	With respect to dollars – means dollar of the day
Notice	Regulatory Information Notice
NSP	Network service provider
Opex	Operating expenditure
PoE	Probability of Exceedance
RAB	Regulatory Asset Base
Repex	Replacement (capital) expenditure
Real	With respect to dollars – means constant dollars at a specific date.
RIN	Regulatory Information Notice
RIO	Regulatory Information Order
ROAMES	Remote Observation Advanced Modelling Economic Simulation
RRS	Regulatory Reporting Statements
SAC	Standard Asset Customer
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCADA	Supervisory control and data acquisition
SCS	Standard Control Services
SMDB	Statistical Metering Database
STPIS	Service Target Performance Incentive Scheme (AER)
Submission	The information required under the Notice as submitted to the AER on an audited basis in accordance with Appendix D of the Notice and verified by a Statutory Declaration in Appendix C to the Notice, on or before 5:00 pm Australian Eastern Daylight Time (AEDT) on 31 October 2017 accompanied by the Audit and Review Report(s) and a signed Statutory Declaration.
SWER	Single Wire Earth Return
STL	Street lighting
TNCP	Transmission network connected premises
TNSP	Transmission network service provider
WSP	WSP Australia Pty Ltd

1. INTRODUCTION

On 7 March 2014, the Australian Energy Regulator (AER) issued a Regulatory Information Notice (Notice) under Division 4 of Part 3 of the National Electricity (QLD) Law (NEL) to Ergon Energy Corporation Ltd (ABN 50 087 646 062) (Ergon Energy). The Notice was accompanied by the “Better Regulation Explanatory Statement, Regulatory Information Notices to Collect Information for Category Analysis (March 2014)” (RIN Explanatory Statement).

The Notice requires Ergon Energy to provide and to prepare and maintain the information in the manner and form specified in the Notice.

Ergon Energy notes that the AER’s Notice indicates that the AER require the information for the performance or exercise of its functions or powers conferred on it under the NEL or the National Electricity Rules (NER), namely to:

- publish network service provider (NSP) performance reports (annual benchmarking reports) the purpose of which are to describe, in reasonably plain language, the relative efficiency of each Distribution Network Service Provider (DNSP) in providing direct control services over a 12 month period; and
- assess benchmark operating expenditure (Opex) and benchmark capital expenditure (Capex) that would be incurred by an efficient DNSP relevant to building block determinations.

The Notice requires Ergon Energy to provide the information specified in Schedule 1, audited in accordance with Appendix C to the Notice in accordance with section 28M(e) of the NEL having prepared (and maintained) the information in the manner and form specified in Schedule 2 to the Notice. Information specified is required to be verified using the statutory declaration in Appendix B to the Notice, in accordance with section 28M(d).

Ergon Energy is required to deliver the said information electronically to AERInquiry@aer.gov.au, on or before 5:00 pm Australian Eastern Daylight Time on 31 October 2017 in respect of information for the 2016-17 regulatory year (1 July 2016 to 30 June 2017) (the ‘Submission’). The submission is to be accompanied by the Audit and Review Report(s) and signed Statutory Declaration.

Of note, the AER reissued Category Analysis RIN templates (but not a revised Notice) to Ergon Energy multiple times, the latest reissue occurring on 24 July 2017. The reissued (protected) templates allow for submission of the 2016-17 Regulatory Year data only.

In comparing the 2016-17 data to prior years, it should also be noted that the AER required Ergon Energy to provide category analysis information for the 2013-14 regulatory year as part of the Reset RIN process. Importantly, the Reset RIN required Ergon Energy to report information based on its new cost allocation methods (CAM) and classifications of service (CoS) to apply for the 2015-20 regulatory period whereas all submitted annual Category Analysis RIN reporting (excepting 2013-14) were presented using the CAM and CoS of the day. Whilst the AER considered compliance with the Reset RIN in relation to Category Analysis information as compliance with the Category Analysis RIN for the 2013-14 regulatory year, care should be taken when comparing any RIN time series data.

1. INTRODUCTION

Accordingly, Ergon Energy is pleased to submit this Submission (audited) in relation to the 2016-17 Regulatory Year (**Ergon Energy 2016-17 Category Analysis RIN, Submission**), as made by:

Ergon Energy Corporation Limited

PO Box 1090

Townsville Qld 4810

Enquiries or further communications should be directed to:

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2. CONFIDENTIAL INFORMATION

2.1 Requirement

In accordance with Schedule 1 of the Notice, if Ergon Energy makes a claim for confidentiality over any information provided in accordance with the Notice issued, Ergon Energy must:

- provide any details of a claim for confidentiality in accordance with the requirements of the AER's revised Better Regulation Confidentiality Guideline (30 August 2017)¹, as if it extended and applied to that claim for confidentiality;
- provide any details of a claim for confidentiality in response to the above, at the same time as making the claim for confidentiality; and
- confirm, in writing, that consent is given for the AER to disclose all other of Ergon Energy's information (provided in the submission) on the AER website.

The AER's Confidentiality Guidelines sets out the framework for how the AER will handle confidentiality claims and requirements for Ergon Energy.

A confidentiality claim, by itself, is insufficient to prevent disclosure. Both the NEL and the *Competition and Consumer Act 2010 (Cth)* provide for the AER to disclose confidential information in certain circumstances. In particular, section 28ZB of the NEL allows the AER to disclose information where:

- disclosure would not cause detriment to the information provider or the person from whom the information provider received the information; or
- public benefit in disclosing the information outweighs that detriment.

Making a confidentiality claim in the manner mentioned above will reduce the chance that the AER will exercise these powers. Ergon Energy notes the AER would provide notice and an opportunity to comment prior to exercising these powers.

2.2 Response

Ergon Energy notes that regard has been given to the AER's Confidentiality Guidelines in assessing confidentiality claims in preparation of its 2016-17 Category Analysis RIN. Ergon Energy has not identified any claims for confidentiality in regards to its 2016-17 Category Analysis RIN response.

Of note, Ergon Energy contacted its independent auditors (the Queensland Audit Office and WSP) to advise the AER's ability to disclose audit or review reports issued to Ergon Energy in respect of its 2016-17 Category Analysis RIN, subject to any confidentiality claims made. Confirmation was obtained from both auditors agreeing to the release of audit or review reports / audit opinion.

¹ Available at: <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/confidentiality-guideline-2017>

3. DATA TEMPLATES

3.1 Requirement

Schedule 1, paragraph 1.1 of the Notice requires Ergon Energy to provide the information required in each Regulatory Template in the Microsoft Excel (Excel) workbooks attached at Appendix A to the Notice (the Templates), completed in accordance with the Notice and the Principles and Requirements in Appendix E.

Schedule 2, paragraph 1.1 requires the Excel workbooks to be prepared in a manner and form specified in the worksheets therein and reiterates that the requirements of the Notice are to be adhered to.

The AER's Appendix E, Principles and Requirements paragraph 1.3 notes that subject to a small number of exceptions, Ergon Energy must provide all information required in the Regulatory Templates. That is to say, Ergon Energy must complete all input cells, meaning a value must be entered that corresponds to the unit required. For the avoidance of doubt, "N/A" or similar must not be input.

Exceptions or variables to which this is not applicable (e.g. where input cells can be blacked out) are detailed in paragraph 1.3-1.4 of Appendix E: Principles and Requirements. The exceptions applying are identified in the Regulatory Templates with orange coloured cells. Ergon Energy is exempted from inserting data into the specified cells for the variables (as further clarified in related paragraphs in Appendix E, Principles and Requirements) and must instead colour them black if Ergon Energy does not currently collect or report this information, and identifies this in the basis of preparation.

- Data for cells in Regulatory Templates coloured grey or containing formulae do not require input and must not be amended by Ergon Energy.
- Where *Actual Information* (defined term) cannot be provided, Ergon Energy is required to provide *Estimated Information* (defined term) and additional information in relation to *Estimated Information* is to be provided in accordance with Basis of Preparation requirements (refer section 4).

In relation to the 2016-17 Regulatory Year, the AER requires Ergon Energy to verify information provided in the templates by way of an Audit in accordance with Appendix C and a Statutory Declaration in accordance with Appendix B to the Notice.

3.2 Ergon Energy 2016-17 Category Analysis RIN Templates

3.2.1 Completed RIN Templates

Ergon Energy's Submission of the completed 2016-17 Category Analysis RIN templates (16-17 CARIN Templates), being the (protected) Excel workbooks last reissued to Ergon Energy on 24 July 2017, are provided as attachments to this response as follows

- Consolidated;
- Estimated; and
- Actual.

Refer to Table 7-1: List of Attachments.

3. DATA TEMPLATES

Of note, the AER reissued Category Analysis RIN templates (but not a revised Notice) to Ergon Energy multiple times, the latest reissue occurring on 24 July 2017. The reissued (protected) templates allow for submission of the 2016-17 Regulatory Year data only.

In comparing the 2016-17 data to prior years, it should also be noted that the AER required Ergon Energy to provide category analysis information for the 2013-14 regulatory year as part of the Reset RIN process. Importantly, the Reset RIN required Ergon Energy to report information based on its new CAM and classifications of service (CoS) to apply for the 2015-20 regulatory period all submitted annual Category Analysis RIN reporting (excepting 2013-14) were presented using the CAM and CoS of the day. Whilst the AER considered compliance with the Reset RIN in relation to Category Analysis information as compliance with the Category Analysis RIN for the 2013-14 regulatory year, care should be taken when comparing any RIN time series data.

3.2.2 Key Information Systems Used

The table below gives a listing and brief description, of key information systems that Ergon Energy currently uses to provide its Distribution Services and which have been utilised in providing the information required in the templates (referred to as relevant in Basis of Preparation responses provided in section 4).

It is emphasised that this is not an exhaustive list of all of the information systems that Ergon Energy uses. For further explanations of specific processes and systems used to report RIN requirements refer to section 4 in this document.

Table 3-1: Key Information Systems used by Ergon Energy

System	Description
Artemis 7	Manages investment portfolio including project planning, scheduling and tracking, program and project governance and financial and resource management
Customer Management System (CMS)	Used with FACOM to manage customer service delivery
CSA	Current state assessment database used to record transformer capacity data for planning purposes
DBMS (Database Management System)	“Oracle” is a centralised database that stores information and supports applications that are used to facilitate data management. Corporate applications and SQL scripts developed by Ergon Energy’s Network Performance Group are used to extract information from Oracle to populate the RIN templates. All reporting relevant to the RIN is performed by the Network Reliability Group using SQL scripts and applications that run on the Oracle database.
DCOS Model	Distribution Cost of Supply (DCOS) Model is used in the network tariff setting process, where the output of the model is ‘forecast revenue’ for each customer group to be recovered via distribution tariffs. The DCOS Model output displays forecast revenues by geographic zones (East, West, Mount Isa) and customer categories (ICC, CAC, EG, SAC, UnMet&STL) with the Annual Charge disaggregated by Fixed Charge, Actual Demand Charge, Capacity Charge, and Volume Charge.
COGNOS	Budget planning modules
CONNECT	The Connect Application is used to maintain the feeder type data set.

3. DATA TEMPLATES

System	Description
ECORP	<p>ECORPMAIN contains the network asset topology utilised by FeederStat, Connect, Switching Sheet Writer and reliability reporting apps. The ECORP model hierarchy is primarily manually maintained by Network Data Officers and Customer Connection Officers i.e. association of premises with substations.</p> <p>An automated process (GELO) exist which updates selected feeders (approx. 3 feeders) in ECORPMAIN from NETAPP-GISEP. The ECORPMAIN model contains network objects like substations and switches required to model network connectivity it does not contain other assets e.g. poles, conductors, streetlights etc.</p>
ESATS	<p>Standing data repository containing extracted data in tables storing all mandated NMI standing data.</p>
Ellipse	<p>Ellipse is a large Enterprise Resource Planning (ERP) application used to manage assets, works, finance, supply chain, logistics, human resources and payroll. This application represents the logical group of modules of the Ellipse application which support the Financial Management sub segment.</p> <p>Ellipse was commissioned on 4 September 2006 as the Management and Financial reporting tool. The chart of accounts structure includes a district code and four segments forming an account line of four alphabetic and seventeen numeric characters.</p> <ul style="list-style-type: none"> ▪ District: Separate legal entities of Ergon Energy consisting of parent entity and subsidiaries; ▪ Responsibility Centre: Business unit groups responsible for revenues, expenses for a function/ location; ▪ Activity: Type of work being undertaken. Also used for balance sheet classification: asset, liability, equity and Work in Progress (WIP); ▪ Product: Product or service being provided, for example High Load Escort; and ▪ Element: the nature of the revenue received or expense incurred. <p>Each revenue, cost element, asset and liability that when combined constitute the sum of Ergon Energy activities, and any associated adjustment to these, must have its origin in an audited Statutory Accounts</p>
FeederStat	<p>Ergon Energy's outage management system. It pinpoints where a particular premise is located and what feeder or substation it is connected to. FeederStat is used when faults and outages are being analysed and facilitates the NCC logging fault related calls as they are received and providing information to customers on restoration times.</p> <p>FeederStat is the primary outage management system employed by Ergon Energy to capture, record, action and report: planned and unplanned outages. FeederStat was internally developed by Ergon Energy and is a common application used across all sites with access to Oracle which is used to both input and extract outage data and information</p>
Financial Asset Register (FAR)	<p>Accounting asset register containing the RAB cost and life information</p>

3. DATA TEMPLATES

System	Description
Lightmap	Lightmap is a geographical information system that provides information in relation to spatial location of public lighting assets and asset information. It is used as Public Lighting Management software.
NEMLink (MDP)	The Meter Data Provider's Market Gateway.
Outage Management System (OMS)	Oracle-based system used to export information about individual unplanned outages
PEACE	<p>PEACE is a web based premise information and billing system and has been implemented to support Ergon Energy in a Full Retail Competition (FRC) environment.</p> <p>PEACE interacts with multiple systems, enabling data to be sent to and received by MSATS (Market Settlement and Transfer Solution).</p> <p>The two major components of PEACE are:</p> <ol style="list-style-type: none"> 1. PEACE Customer Information System (CIS) - which enables us to: <ol style="list-style-type: none"> a. Store and update customer premise details; b. Create and manage Network Tariffs, reads and invoices; c. View External References (specific data required by Ergon Energy to publish to the Market, such as NMI and FRMP); d. Create and transition PEACE work requests (PTJs - Process Tracking Jobs); 2. PEACE Market Solution - which enables us to: <ol style="list-style-type: none"> a. Validate Market Transactions from external parties via Australian Energy Market Operator (AEMO) and business Rules; b. Publish mandatory data fields (Standing Data) in MSATS; c. Manage customer transfers, Service Orders and Change Requests and process these to PEACE CIS; d. Forward data to the relevant systems, e.g. MARS, PEACE CIS and MSATS. <p>PEACE was implemented in March 2016.</p>
PLUMS	Public lighting and unmetered supplies – intermediate system between Smallworld and PEACE for billing unmetered customers.
ROAMES	<p>Remote Observation Automated Modelling Economic Simulation (ROAMES) LiDAR program. ROAMES technology originally developed by Ergon Energy and partner organisations creates precise, 3D geo-spatial representations of network assets such as substations, poles and wire infrastructure to be displayed in a Google Earth-like database. The sheer size of Ergon Energy's distribution area was a key motivator for finding smarter ways of managing the assets and the surrounding environment. It is anticipated that the information ROAMES provides will result in reduced maintenance and planning costs, while also increasing the safety and reliability of electricity supply for our customers and communities.</p> <p>The large volume of data captured during ROAMES flights is processed to enable reliable and precise measurement of Ergon Energy's electricity network and surrounding objects such as buildings, terrain and vegetation. Information is then used to create a precise, virtual representation of Ergon Energy's network infrastructure throughout Queensland, providing vital information for more effective and cost efficient vegetation maintenance and asset planning.</p>

3. DATA TEMPLATES

System	Description
	From 1 March 2015, this capability is supplied via a Service Level Agreement from an unrelated corporation called ROAMES Asset Services Pty Limited.
SCAMS	Substation Condition Assessment and Monitoring System used to manage assets and as a source of ZSS capacity data
Substation Investment Forecasting Tool (SIFT)	Used by planning team to plan substation augmentation and growth
Supervisory Control and Data Acquisition (SCADA)	While SCADA is a general term, it is used within Ergon Energy to refer specifically to the ABB system used for Network Operations.
Smallworld	A geographic information system used to manage the spatial location of assets.
Smallworld Oracle Replicated (SOREP) Spatial database.	Replicated version of Smallworld Electrical Data. Reference by Aires, Mapguide, Google Earth, Schematics etc.
Statistical Metering Database (SMDB)	Consists of Access databases maintained by Ergon Energy Planning department to capture the history of Ergon Energy's interval data for demand and weather (sourced from the Bureau of Meteorology data).
Tree Management Database (TMD)	Database used by vegetation management contractors to record trees trimmed and dates work undertaken

4. BASIS OF PREPARATION

4.1 Requirement

Schedule 1, paragraphs 1.2(a)-(b) of the Notice require Ergon Energy to provide in accordance to the Notice and the Principles and Requirements in Appendix E, a Basis or Preparation demonstrating how Ergon Energy has complied with the Notice, in respect of:

- information in each Regulatory Template in the Excel Workbooks attached at Appendix A; and
- any other information prepared in accordance with the requirements of the Notice.

Schedule 2, paragraphs 1.2(a)-(d) of the Notice require Ergon Energy to prepare the Basis of Preparation in accordance with the requirements specified in Schedule 1. Specifically, the Basis of Preparation must:

- demonstrate how the information provided is consistent with the requirements of the Notice;
- explain the source from which Ergon Energy obtained the information provided; and
- explain the methodology Ergon Energy applied to provide the required information, including any assumptions Ergon Energy made.

In circumstances where Ergon Energy cannot provide input for a Variable using Actual Information and therefore must provide input using Estimated Information, Ergon Energy must also comment as to:

- why an estimate was required, including why it was not possible to use Actual Information; and
- the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is a best estimate, given the information sought in the Notice.

Ergon Energy may provide additional detail beyond the minimum requirements if Ergon Energy considers it may assist a user to gain an understanding of the information presented in the regulatory templates.

4.2 Basis of Preparation Applied By Ergon Energy

4.2.1 Addressing Minimum Requirements

The minimum requirements specified in the Notice are addressed for each of the variables or group of variables contained in the Category Analysis data templates, in the Basis of Preparation documents prepared by Ergon Energy and provided as attachments as summarised in Table 7-1: List of Attachments.

Unless otherwise noted, the following general comments are made as relevant to all templates or variables, in addressing the minimum requirements:

- Ergon Energy has to the best of its knowledge, complied with the requirements of the Notice so issued to Ergon Energy.
- In doing so, Ergon Energy has referred to Appendix E, Principles and Requirements and Appendix F, Definitions of the Notice.
- Information has been reported for service categories: Standard Control Services (SCS) and Alternative Control Services (ACS) in accordance with Notice requirements and with reference to the Principles and Requirements and Definitions.

4. BASIS OF PREPARATION

- As relevant (and as noted in relevant sections of attachments provided herein and summarised in Table 4-1 below), Ergon Energy has included any additional information required to be prepared in accordance with the Notice.
- Where relevant, regard has also been given to the *Better Regulation Explanatory Statement, Regulatory Information Notices to collect information for Category Analysis*, March 2015 though it is noted that in any instances of inconsistency, the Notice is taken to have precedence.
- Where relevant, regard has been given to ongoing clarifications provided by the AER to various NSPs in its Issues Registers or subsequent correspondence, including as part of the release of amended templates.

4.2.2 Additional Requirements

The additional requirements noted in Table 4-1 were identified in the Notice issued to Ergon Energy, as being requirements that require provision of additional information or attachments over and above completed templates or Basis of Preparation.

Responses to these requirements are made as attachments to the applicable Basis of Preparation for templates as summarised in Table 7-1: List of Attachments.

Table 4-1: Additional Requirements (Attachments to Basis of Preparation)

Notice Reference Paragraph	Requirement	Attachment(s) to Template BOP
2.4	<p>Ergon Energy must provide an Excel spread sheet that contains the calculation of balancing items reported in Regulatory Template 2.1. At a minimum, this spread sheet must:</p> <p>(a) for each instance where an expenditure item is reported more than once (i.e. double counted), identify:</p> <p style="padding-left: 40px;">(i) where that instance is reflected in expenditure included in the Regulatory Templates</p> <p style="padding-left: 40px;">(ii) the value of that expenditure in each Regulatory Template</p> <p>(b) identify each instance where the Notice requires Ergon Energy to report Capex not on an “as-incurred” basis in Regulatory Templates 2.2 to 2.10 and, for the relevant expenditure item, list its corresponding value when expressed on an “as incurred” basis.</p>	<p>Template 2.1 (1 attachment)</p>
2.5	<p>Ergon Energy must provide a reconciliation between the total capital and operating expenditure provided in the Regulatory Template 2.1 to the capital and operating expenditure recorded in Ergon Energy’s Regulatory Accounting Statements and Audited Statutory Accounts.</p>	<p>Template 2.1 (2 attachments)</p>
7.2 (c)(i) 7.3 (c)(i)	<p>Ergon Energy must provide any calculations used to convert real to nominal dollars or nominal to real dollars for all expenditure data on a project close basis in real dollars (\$2016–17).</p>	<p>Template 2.3 (1 attachment)</p>
12.4	<p>Provide, on separate A4 sheets, maps showing:</p> <p>(a) each vegetation management zone; and</p> <p>(b) total network area with borders of each vegetation management zone.</p>	<p>Template 2.7 (4 attachments)</p>

5. AUDIT AND REVIEW REPORTS

5.1 Requirement

Schedule 1 paragraph 2 requires the provision of Audit Report(s) and Review Report(s) in accordance with the requirements of the Notice, Audit and Review at Appendix C.

Furthermore, Paragraph 1.4 of Schedule 2 requires Ergon Energy to prepare these reports, using a person(s) who satisfies the requirements of paragraph 2 of Appendix C, in accordance with the requirements of the Notice and the Audit and Review.

In addition Appendix C, paragraph 3 requires that Audit and reviews must be conducted in compliance with Australian Auditing and Assurance Standards, as developed by the Auditing and Assurance Standards Board.

The audit of Actual Financial Information in Excel Workbooks as well as in the Basis of Preparation must comply with the Auditing Standard ASA 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or items of a Financial Statement. In addition, the Audit Report must include an opinion as to whether or not the Financial Information provided is presented fairly in accordance with the requirements of the Notice and Ergon Energy's Basis of Preparation.

The review of the Estimated Financial Information In the Excel Workbook as well as in the Basis of Preparation must comply with the ASRE 2405 Review of Historical Financial Information Other than a Financial Report; and the Review Report must include a conclusion as to whether or not anything has come to the Auditor's attention that causes it to believe that the estimated historical Financial Information is not, in all material respects, presented fairly in accordance with the requirements of this Notice and Ergon Energy's Basis of Preparation.

The review of the Non-financial Information in both the Excel Workbook and Basis of Preparation must comply with the ASAE 3000 Assurance engagements other than audits or reviews of historical financial information; and Regulatory Information Notice under Division 4 of Part 3 of the NEL. The Review Report must include a conclusion as to whether or not anything has come to the Auditor's attention that causes it to believe that the historical Nonfinancial Information is not, in all material respects, presented fairly in accordance with the requirements of this Notice and Ergon Energy's Basis of Preparation.

5.2 Response

Ergon Energy notes the following auditors were appointed to audit its 2016-17 Category Analysis RIN and associated templates (as relevant):

- WSP to audit Non-Financial (actual or estimated) in accordance with the Audit scope at Appendix C of the RIN;
- Auditor-General of Queensland to audit Financial Information (actual or estimated) and specific Non-Financial (actual or estimated) data in accordance with the Audit scope at Appendix C of the RIN.

As required under Schedule 1 paragraph 1.4 of the Notice, Ergon Energy provides the following results of the abovementioned audits as attachments to this submission, namely the Audit Report(s) and Review Report(s):

5. AUDIT AND REVIEW REPORTS

- WSP - Review Report (Non-Financial) (Actual);
- Queensland Audit Office - Audit Opinion (Actual Financial Information);
- Queensland Audit Office - Audit Report (Non-Financial) (Actual Estimated); and
- Queensland Audit Office - Audit Review Report (Estimated Financial Information).

Refer to Table 7-1: List of Attachments.

6. STATUTORY DECLARATION

6.1 Requirement

The AER requires Ergon Energy to verify information provided under the Notice, by way of a statutory declaration by an Officer of the Company in accordance with Appendix B to the Notice. A pro forma Statutory Declaration was provided in this regard.

Similar to the purview of the Audit scope, information subject to Statutory Declaration includes all financial and non-financial information, whether estimated or actual.

A signed Statutory Declaration is required to accompany the Submission to the AER's Notice, as due to the AER by 31 October 2016 (presented and discussed herein).

6.2 Response

Ergon Energy herein provides a Statutory Declaration signed by an Officer of the Company of Ergon Energy Corporation Limited, as an attachment to this submission.

Refer to Table 7-1: List of Attachments.

7. APPENDIX A – LIST OF ATTACHMENTS

Table 7-1: List of Attachments

Title	Attachment
EE1617CA CON	Ergon Energy 1617 Category Analysis RIN Templates, Consolidated Information
EE1617CA EST	Ergon Energy 1617 Category Analysis RIN Templates, Estimated Information
EE1617CA ACT	Ergon Energy 1617 Category Analysis RIN Templates, Actual Information
EE1617CA WSP NF(AE)	WSP - Review Report (Non-Financial Information) (Actual)
EE1617CA QAO F(A)	Queensland Audit Office - Audit Opinion (Financial)(Actual)
EE1617CA QAO F(E)	Queensland Audit Office - Audit Report (Financial)(Estimated)
EE1617CA QAO NF(AE)	Queensland Audit Office - Audit Report (Non-Financial)(Actual Estimated)
EE1617CA SDEC	Ergon Energy Corporation Limited, Statutory Declaration
Refer Table 7-2: Basis of Preparation	Template specific Basis of Preparations and Attachments

Table 7-2: Basis of Preparation

	Template Name	BOP Attachment Name	BOP Associated Attachments	BOP Associated Attachment Name
2.1	Expenditure Summary	EE1617CA T2.1 EXPS	<ul style="list-style-type: none"> ▪ Duplications worksheet ▪ Reconciliation (RINs) ▪ Reconciliation (Statutory) 	EE1617CA T2.1 EXPS A1 EE1617CA T2.1 EXPS A2 EE1617CA T2.1 EXPS A3
2.2	Repex	EE1617CA T2.2 RPX		
2.3(a) 2.3(b)	Augex project data	EE1617CA T2.3 AGX	<ul style="list-style-type: none"> ▪ Real / Nominal Conversions 	EE1617CA T2.3 AGX A1
2.5	Connections	EE1617CA T2.5 CON		
2.6	Non Network	EE1617CA T2.6 NNW		
2.7	Vegetation Management	EE1617CA T2.7 VGMT	<ul style="list-style-type: none"> ▪ Region Map (Central) ▪ Region Map (Northern) ▪ Region Map (Southern) ▪ Region Map (Whole Network) 	EE1617 T2.7 VGMT A1 EE1617 T2.7 VGMT A2 EE1617 T2.7 VGMT A3 EE1617 T2.7 VGMT A4
2.8	Maintenance	EE1617CA T2.8 MNTC		
2.9	Emergency Response	EE1617CA T2.9 EMGR		
2.1	Overheads	EE1617CA T2.10 OVHD		
2.11	Labour	EE1617CA T2.11 LBR		
2.12	Input Tables	EE1617CA T2.12 INPUT		
4.1	Public Lighting	EE1617CA T4.1 PUBL		
4.2	Metering	EE1617CA T4.2 MTRG		
4.3	ACS - Fee Based	EE1617CA T4.3 ACSF		
4.4	ACS - Quoted services	EE1617CA T4.4 ACSQ		
5.2	Asset Age Profile	EE1617CA T5.2 AAP		
5.3	Max Demand - Network	EE1617CA T5.3 MXDN		
5.4	Max Demand & Utilisation – Spatial	EE1617CA T5.4 MXDUS		
6.3	Sustained Interruptions	EE1617CA T6.3 SINT		

Faults Only

13 22 96

24 hours a day, 7 days a week

Life-Threatening Emergencies Only

Triple zero (000) or 13 16 70

24 hours a day, 7 days a week

Ergon Energy Corporation Limited ABN 50 087 646 062

