# Jemena Electricity Networks (Vic) Ltd

## Response to the Annual Regulatory Information Notice

Basis of Preparation

Information for the 2016 regulatory year

Public

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# OVERVIEW

This basis of preparation document has been prepared by Jemena Electricity Networks (Vic) Ltd (**JEN**) in response to the annual Regulatory Information Notice (**RIN**), covering calendar year 2016. RIN data templates and accompanying audit report and review report are due to the Australian Energy Regulator (**AER**) by 1 May 2017. The RIN was served upon JEN by the AER under the National Electricity Law (**NEL**) on 3 February 2016.

Section 1.1(d) of Schedule 1 of the RIN requires JEN to prepare a 'basis of preparation' in accordance with the requirements specified in Schedule 1. JEN's basis of preparation document, for all information provided in the information template (Attachment 1-1 to JEN's submission):

1. Demonstrates how the information provided is consistent with the requirements of the RIN

2. Explains the source from which JEN obtained the information

3. Explains the methodology JEN applied to provide the required information, including any assumptions JEN made

4. Explains, in circumstances where JEN cannot provide actual information:

    a) Why it was not possible for JEN to provide actual information

    b) What steps JEN is taking to ensure it can provide actual information in the future

    c) If an estimate has been provided, the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is JEN's best estimate, given the information sought in the RIN.

JEN considers this basis of preparation complies with requirements for the basis of preparation specified in section 6 of Appendix A of Schedule 2 of the RIN. In particular, this basis of preparation follows a logical structure that enables auditors, assurance practitioners and the AER to clearly understand how JEN has complied with the requirements of the RIN. Each section of this basis of preparation corresponds to a worksheet in the information template.


## DEFINITIONS OF ACTUAL AND ESTIMATED INFORMATION

Consistent with the definition contained in the RIN, JEN has applied the following definition of actual information in its response to the RIN:

> *Information whose presentation is materially dependent on JEN's business records, and whose presentation is not contingent on judgements and assumptions for which there are valid alternatives, which could lead to a materially different presentation in response to the RIN.*

Consistent with the definition contained in the RIN, JEN has applied the following definition of estimated information in its response to the RIN:

> *Information which:*

>> – *Is not materially dependent on JEN's business; and*

- *Is contingent on judgements and assumptions for which there are valid alternatives, where an alternative approach could yield a materially different presentation of the information in response to the RIN.*

# GLOSSARY

| | |
|---|---|
| ABS | Australian Bureau of Statistics |
| AER | Australian Energy Regulator |
| BI | Business Intelligence |
| CPI | Consumer Price Inflation |
| ERP | Enterprise Resource Planning |
| GIS | Geographic Information System |
| GL | General Ledger |
| HVI | High Voltage Injection |
| IMS | Investment Management System |
| IVR | Interactive Voice Response |
| JEN | Jemena Electricity Networks (Vic) Ltd |
| MED | Major Event Day |
| NER | National Electricity Rules |
| NERL | National Energy Retail Law |
| OMS | Outage Management System |
| PM order | Project Maintenance Order |
| PTRM | Post-tax Revenue Model |
| RIN | Regulatory Information Notice |
| SPFR | Special Purpose Financial Statements |
| Substitute Determination | The AER determination for JEN's 2016-20 regulatory control period, released on 26 May 2016. |
| TARC | Total Annual Retail Charges |

| TB | Trial Balance |
|----|---------------|
| WDV | Written Down Value |
| ZSS | Zone Substation |

# 2.11 LABOUR

abc

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| 2.11.3.1 | Opex | Actual | n/a | n/a | Jemena Electricity Networks (Vic) Ltd (**JEN**) uses its Enterprise Resource Planning (**ERP**) system, SAP, to capture costs associated with maintenance expenditure. JEN's cost collection process uses projects (WBS elements) to collect costs at the macro level. Project Maintenance Orders (**PM orders**) and activities are set up to collect costs at a micro level. | Project Costing data is downloaded from SAP using the data extraction tool, Business Intelligence (**BI**) and exported into Excel. The Opex Data is then filtered to select the direct and indirect labour cost elements. JEN identified its uncontrollable costs by extracting the information from opex project data and general ledger accounts, in accordance with definition of the Notice. Note: Except for one related party's contractor costs, JEN does not have any direct contractual relationships with any related parties where a margin is charged. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | | |
| 2.11.3.2 | Capex | Actual | n/a | n/a | JEN uses SAP to capture labour costs.<br><br>PM orders in SAP collect costs data including labour costs.  Costs then aggregate in SAP in Work Breakdown Structures (higher level cost collector). | Project Costing data is downloaded from SAP using the data extraction tool, BI and exported into Excel.<br>The Capex Data is then filtered to select the direct and indirect labour cost elements.<br>JEN reviewed its capex project data and is not aware of any uncontrollable costs that meet the definition of the Notice.<br><br>Note: Except for one related party's contractor costs, JEN does not have any direct contractual relationships with any related parties where a margin is charged. | n/a |

# 3.6 QUALITY OF SERVICES

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 3.6.5 | Quality of Supply Metrics | Actual | n/a | n/a | The sources of information for Over voltage events - due to high voltage injection and Over voltage events - due to lightning are:<br>• High Voltage Injection (**HVI**) Database<br>• Inspector Cards<br>• Outage Management System (**OMS**)<br>The sources of information for Over voltage events - due to voltage regulation or other cause is the Power Quality database managed by the Power Quality Specialists. | For Over voltage events - due to high voltage injection and Over voltage events - due to lightning :<br>• The HVI database is checked for the relevant regulatory period in view.<br>• The database is then checked against the Inspector Cards (each premises that has been checked is issued an inspection card which details any damage that has occurred)<br>• The OMS is then utilised to determine whether the HVI event has occurred due to lightning.<br><br>For over voltage events - due to voltage regulation or other cause – Verified High Volts complaints from the Power Quality Specialist are reported monthly to Network Integrity & Performance team and customers affected are extracted from the respective monthly distribution substation customer numbers | Where there is no access to a premises believed to have been affected by a HVI event, an assumption is made that the premises has sustained damage.<br><br>If the customer complaint of high volts is verified, all customers supplied from the same distribution substation are assumed to have experienced high volts and therefore the reported number of customers receiving over-voltage - due to voltage regulation or other cause is equal |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | The source of distribution substation customer numbers is the network model which is derived from the Geographic Information System (**GIS**).<br><br>The source of information for Voltage variations events are Power Quality meters at zone substations and at the end of one feeder from each zone substation. Data is downloaded and stored at the PQ meter servers | generated from the network model.<br><br>Voltage variation events definition refers to Essential Services Commission, "Electricity Distribution Code". Reference voltage applied to zone substation data is set point voltage at individual zone substation. | to the number of customers supplied from the distribution substation where high volts has been verified. |
| TABLE 3.6.6 | Complaints - Technical Quality of Supply | Actual | n/a | n/a | Oracle Claims Database | The data is recorded in Oracle Claims Database throughout the period.<br><br>Each complaint is classified as per Australian Energy Regulator (**AER**) categories.<br><br>The data is then extracted from the database for the reporting period. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 3.6.7 | Customer Service Metrics | Actual | n/a | n/a | The source of information for Connections is SAP ISU and CIS Plus. The source of information for Customer complaints is the Oracle Claims Database. The source of information for Call centre performance is the IVR at Aegis. The source of information for Street light is Notifications from SAP. | New Connections - refer to JEN Monthly Reporting – JEM-P-4900-98. Customer complaints - refer to Table 3.6.6 above Street lights - Refer to procedure JEN PR 0500. | n/a |
| TABLE 3.6.7.2 | Timely Repair of Faulty Street Lights | Actual | n/a | n/a | Street lights – SAP Notifications are the source of the number of public lighting faults. GIS | Street lights The Display Notifications function (IW29) is run in SAP using the following criteria: <br>• Notification date: Relates to start and end dates for the month <br>• Priority: G (GSL<2 business | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | days), P (P/L < 7 business days) <br><br> • Status excluded: DLFL (deletion flag) <br><br> • Planner Group: P/L coordinator <br><br> • Layout: select the public lighting layout <br><br> The results are then: <br><br> • Exported the output to excel. <br><br> • Copy and append the data monthly to the previous month report. <br><br> • Run the inbuilt macros <br><br> • Compare the figures in the "Summary" tabs of the "JEN Public Lighting Running report" for the monthly and yearly data to check for differences between the two sets of data. | |

# 3.6.8 NETWORK-FEEDERS

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 3.6.8 | Network Feeder Reliability | Actual<br><br>Except for various information relating to SA shared Powercor feeders (see next column) | There are four SA shared Powercor feeders'. There are no JEN monitoring devices at the point of connections on the four SA feeders.<br><br>Maximum demand for SA10 and SA12 is actual.<br><br>Maximum demand for SA02 and SA06 are estimates..<br><br>Load factor for all 4 SA feeders are assumed to be the same as SHM feeder based on nature of load. Power factor for JEN shared SA sections are estimates. Therefore the energy not supplied (planned and unplanned) for the 4 SA feeders is estimated. | Analysis will be performed in 2017 to determine whether the estimated maximum demand, load factor and power factor for SA feeders can be derived by available actual data. | Extract data from the Outage Management System<br><br>OSI PI system for feeder demand data<br><br>Maximum demand for SA12 is sourced from Powercor from their ACR at the point of connection. Maximum demand for SA10 is aggregated from the AMI half-hour-read meter data as there is only one JEN distribution substation on SA10 and all customers on that substation have a smart meter. | Verified and corrected data in CMOS database<br><br>Refer to procedures JEN PR 0502 Section 3.2.3.1.<br><br>Feeder MD, load factor and zone substation power factor refer to:<br><br>JEN WI 0502;<br><br>JEN PR 0507;<br><br>JEN PR 0508<br><br>Feeder MD is sourced from the forecast. This data comes from OSI PI and is manually adjusted for abnormals.<br><br>Load factor = feeder average demand / feeder MD. Average demand is sourced from OSI PI and is manually adjusted for significant abnormals.<br><br>ZSS power factor comes from the forecast. This data comes from OSI PI or IMS and is manually adjusted for abnormals. | A factor of 0.3 has been applied to Energy not supplied – Planned assuming customers have been notified and energy consumption would mostly be shifted for the outage duration and only appliances that run continuously cannot be operated during the outage. |

## 3.6.9 NETWORK-RELIABILITY

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 3.6.9.1 | Planned Minutes off Supply (SAIDI) | Actual | n/a | n/a | Extract data from the Outage Management System | Verified and corrected data in CMOS database<br><br>Refer to procedures JEN PR 0502 Section 3.2.3.1<br><br>SAIDI associated with outages greater than 1 minute duration was calculated using the following equations:<br><br>For each of the network categories applicable to JEN – Urban, Rural short and Whole network:<br><br>Total planned SAIDI = sum of Planned minutes off supply per category divided by average customer numbers of the respective category in Table 6.2.4. | n/a |
| TABLE 3.6.9.2 | Planned Interruptions to Supply (SAIFI) | Actual | n/a | n/a | Extract data from the Outage Management System | Verified and corrected data in CMOS database<br><br>Refer to procedures JEN PR 0502 Section 3.2.3.1<br><br>SAIFI associated with outages greater than 1 minute duration was calculated | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | using the following equations: For each of the network categories applicable to JEN – Urban, Rural short and Whole network: Total planned SAIFI = sum of Planned customer interruptions per category divided by average customer numbers of the respective category in Table 6.2.4. | |

# 4.1 PUBLIC LIGHTING

| Base information | | Data Type | | Population approach | | |
|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 4.1.4 | Public Lighting Metrics By Tariff | Actual | n/a | n/a | Sourced from billing modules of JEN's systems (CIS+ and SAP). Cash proceeds on Public Lighting scrapping and Avoided cost adjustment: The volume of Lights disposed of is obtained from the contractual supporting documentation for each of the Energy Efficient Public Lighting rollout revenue invoice raised. As the data is maintained and sourced from within internal information systems, it is considered actual information. | Simple summation for volumes and revenue as per system generated reports. The amounts are then reconciled back to JEN's General Ledger in SAP. Notes: <br>• The system generated public lighting volume is the count of bills for the light types. As two bills are issued for "cost shared" lights (one bill to each of the cost sharing party, i.e. VicRoads and the relevant local councils), this volume count would be higher than the actual numbers of lights. Therefore, to derive the actual public lighting volume, the number of bills for "cost shared" lights are divided by 2 <br>• Due to varying volumes throughout the year, the average public lighting volume has been reported. <br>Cash proceeds on Public Lighting scrapping and Avoided cost adjustment relates to 11174 scrappings during CY16, where: <br>• Cash Proceeds on Public Lighting Scrapping equals volume of non-efficient lights multiplied by the average written down value (**WDV**) approved by the AER of the lights disposed of. <br>• The dollar amount per unit is calculated | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| **Table number** | **Table name** | **Actual or Estimated** | **Basis for, approach used and assumptions made for estimates, and reasons why best estimate** | **If estimate, actions to report actual data in future** | **Source** | **Methodology** | **Assumptions** |
| | | | | | | based on the average WDV for non-efficient public lighting. <br><br> • Avoided cost adjustment equals volume of non-efficient lights multiplied by the future average cost avoided of non-efficient public lighting maintenance over the remaining life of the asset. The avoided unit costs used were AER approved rates. <br><br> The key components for each revenue invoice were summarised in an Excel spreadsheet which formed the basis for the summary journal reclassifying the Avoided cost component deducted from the original revenue invoice. | |

# 6.2 STPIS RELIABILITY

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 6.2.1 | Unplanned Minutes off Supply (SAIDI) | Actual | n/a | n/a | Extract data from the Outage Management System | Data was extracted from OMS using the Cognos reporting tool monthly. Verification and correction of data is as per the procedures outlined in Section 3.1.1 to 3.1.4 of procedure JEN PR 0502 and stored in the CMOS (Customer Minutes off Supply) database.<br><br>Annual data extraction from the CMOS database for processing RIN A Template 6.2 is outlined in procedure JEN 0502 Section 3.2.3.1.<br><br>SAIDI associated with outages greater than 1 minute duration was calculated using the following equations:<br><br>For each of the network categories applicable to JEN – Urban, Rural short and Whole network:<br><br>Total unplanned SAIDI = sum of Unplanned minutes off supply per category divided by average customer numbers of the respective category in | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | Table 6.2.4 below. SAIDI (after removing excluded events and MED) applies the same principle of calculation of total unplanned SAIDI with unplanned customer minutes off supply associated with the excluded events and MED subtracted from the total unplanned minutes off supply before dividing by customer numbers. Excluded events and MED are defined as per STPIS Clause 3.3 (a) and 3.3 (b) respectively. | |
| TABLE 6.2.2 | Unplanned Interruptions to Supply (SAIFI) | Actual | n/a | n/a | Extract data from the Outage Management System | Data was extracted from OMS using the Cognos reporting tool monthly. Verification and correction of data is as per the procedures outlined in Section 3.1.1 to 3.1.4 of procedure JEN PR 0502 and stored in the CMOS (Customer Minutes off Supply) database. Annual data extraction from the CMOS database for processing RIN A Template 6.2 is outlined in procedure JEN 0502 Section 3.2.3.1 SAIFI associated with outages greater | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | than 1 minutes duration was calculated using the following equations: For each of the network categories applicable to JEN – Urban, Rural short and Whole network: Total unplanned SAIFI = sum of Unplanned customer interruptions per category divided by average customer numbers of the respective category in Table 6.2.4 below. SAIFI (after removing excluded events and MED) applies the same principle of calculation of total unplanned SAIFI with unplanned customer interruptions associated with the excluded events and MED subtracted from the total unplanned customer interruptions before dividing by customer numbers. Excluded events and MED are defined as per STPIS Clause 3.3 (a) and 3.3 (b) respectively. | |
| TABLE 6.2.3 | Unplanned Momentary Interruptions to | Actual | n/a | n/a | Extract data from the Outage Management System | Data was extracted from OMS using the Cognos reporting tool monthly. Verification and correction of data is | MAIFI is momentary interruptions per event, for auto circuit |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | Supply (MAIFI) | | | | | as per the procedures outlined in Section 3.1.1 to 3.1.4 of procedure JEN PR 0502 and stored in the CMOS (Customer Minutes off Supply) database. | reclosers that have multiple reclosures in one reclose sequence, the momentary customer interruptions are counted as per reclose sequence but not the sum of each individual reclose within the reclose sequence. |
| | | | | | | Annual data extraction from the CMOS database for processing RIN A Template 6.2 is outlined in procedure JEN 0502 Section 3.2.3.1. | This is consistent with JEN's application of the principle of MAIFI in JEN's regulatory reporting in previous years and Victorian reporting. |
| | | | | | | MAIFI associated with outages less than or equal to 1 minute duration was calculated using the following equations: | |
| | | | | | | For each of the network categories applicable to JEN – Urban, Rural short and Whole network: | |
| | | | | | | Total MAIFI = sum of momentary customer interruptions per category divided by average customer numbers of the respective category in Table 6.2.4 below. | |
| | | | | | | MAIFI (after removing excluded events and MED) applies the same principle of calculation of Total MAIFI with momentary customer interruptions associated with the | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | excluded events and MED subtracted from the total momentary customer interruptions before dividing by customer numbers.<br><br>Excluded events and MED are defined as per STPIS Clause 3.3 (a) and 3.3 (b) respectively. | |
| TABLE 6.2.4 | Distribution Customer Numbers | Actual | n/a | n/a | The source of Network customer numbers is from SAP ISU.<br><br>Urban and rural short feeder customer numbers are extracted from the network model which is derived from the Geographic Information System | JEN PR 0017 is the procedure to extract distribution customer numbers for the whole network as defined in the RIN definition of Distribution customers – all active NMIs including unmetered supply points; disconnected and abolished NMIs are excluded.<br><br>Customer numbers by feeder is extracted directly from the network model built in OMS at the first business day of each month.<br><br>Customers at the start of the period = customer numbers at the first business day of January in the current reporting year and Customers at the end of the period = customer numbers at the first business day of January in the following reporting | Although the total number of customers from the Geographic Information System network model does not exactly match the total network customer numbers extracted from SAP ISU systems, the discrepancy is only 0.94% and is immaterial. Therefore the calculated urban and rural short customer numbers are considered as Actual. |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | year.<br><br>The definition of urban and rural short feeders has been used to determine the categorisation of each feeder and adjusted based on the nature of use of the feeder at the end of the year.<br><br>JEN PR 0502 Section 3.2.3.1 outlined the methodology that JEN has applied to calculate urban and rural customer numbers which basically derives the urban/rural short customer split ratio from the categorised feeder customer numbers at the start of the period and at the end of the period.<br><br>The ratios are then applied to the actual network customer numbers respectively to calculate the number of urban and rural short customers. | |

# 6.6 STPIS CUSTOMER SERVICE

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 6.6.1 | Telephone Answering | Actual | n/a | n/a | The Interactive Voice Response (**IVR**) system operated by the Aegis Call Centre is the source of information. The statistics are reported to JEN monthly. | Aegis sends the Monthly Faults Telephony Summary Report for JEN Network to the Customer Response, Network Operation & Control Team Leader.  This data is analysed for the total number of calls i.e<br><br>• Calls to call centre fault line - total number – NCO Monthly Total<br>• Calls to fault line forwarded to an operator – ACC Monthly Total<br>• Calls to fault line not answered within 30 seconds – Not Ans in 30 secs<br>• ESC Calls to fault line, average waiting time before call answered (seconds) – ESC ASA<br>• Calls abandoned - Abd<br>• Call centre - number of overload events – AEGIS will advise us if an overload event occurred.<br>• ABD< 30secs (Abd < Threshold)<br><br>JEN PR 0503 Section 3.3.1 outlined the procedure of calculating the telephone answering performance based on the | In the 2011-2013 Annual RIN the Cells D9 and D10 have been reported under the heading of "Total - after removing MED". Since 2014, the equivalent Cells C11 and C12 in the Annual RIN has the heading label as "Total - after removing excluded events".  Given that this is the STPIS related  item, JEN assumed that the intent is consistent with Clause 5.4 (a) of the Service Target Performance Incentive Scheme (November 2009) thus the data reported is Total - after removing excluded |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | AER definition and is also explained below:<br><br>Verify data provided by Customer Service in the "2016 GOS" and the "JEN Daily 2016" worksheets of the 2016 Faults GOS JEN only" Excel workbook by performing checksum as well as comparing to previous year for:<br><br>a)  "Total" Number of calls received = sum(Calls to fault line forwarded to an operator) – sum(ABD< 30secs)<br>b)  Number of calls answered within 30 seconds = Number of calls received – sum(Calls to fault line not answered within 30 seconds)<br>c)  Total after removing MED":<br><br>This data entry provides the annual telephone answering performance excluding the performance on Major Event Dates (MED).<br><br>Excluded events and MED are defined as per STPIS Clause 3.3 (a) and 3.3 (b) respectively. | events and MED" to be precise. |

## 6.7 STPIS DAILY PERFORMANCE

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| Table 6.7.1 | Daily Performance Data - Unplanned (Customer Service) | Actual | n/a | n/a | The Interactive Voice Response (IVR) system operated by the Aegis Call Centre is the source of information. The statistics are reported to JEN monthly. | Number of calls received and Number of calls answered in 30 seconds are extracted from the JEN Daily 2016 worksheet of the Aegis report.<br><br>Number of calls answered in 30 seconds is under the heading ANS < Thres. This column of data is copied directly into the relevant column in Table 6.7.1 including the performance on MED.<br><br>Number of calls received is calculated based on the AER definition in the STPIS that is excluding:<br><br>• calls to payment lines and automated interactive services<br><br>= NCO minus Self serve = ACC<br><br>• calls abandoned by the customer within 30 seconds of the call being queued for response by a human operator<br><br>= ACC minus Abd < Thres | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 6.7.1 | Daily Performance Data – Unplanned (MAIFI) | Actual | n/a | n/a | Extract data from the Outage Management System (OMS) | Data was extracted from OMS using the Cognos reporting tool monthly. Verification and correction of data is as per the procedures outlined in Section 3.1.1 to 3.1.4 of procedure JEN PR 0502 and stored in the CMOS (Customer Minutes off Supply) database.<br><br>Annual data extraction from the CMOS database for processing RIN A Template 6.7 is outlined in procedure JEN 0502 Section 3.2.3.2.<br>MAIFI based on the AER definition distinguishing unplanned and momentary were calculated using the following equations:<br>For each of the network categories applied to JEN – Urban, Rural short and Whole network:<br>MAIFI = sum of respective daily quantity per category divided by average customer numbers of the respective category in Table 6.2.4.<br>MAIFI (after removing excluded events) applies the same principle of | MAIFI is momentary interruption per event, for auto circuit reclosers that have multiple reclosures in one reclose sequence, the momentary customer interruptions are counted as per reclose sequence but not the sum of each individual reclose within the reclose sequence.<br><br>This is consistent with JEN's application of the principle of MAIFI in JEN's regulatory reporting in previous years and Victorian reporting. |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| **Table number** | **Table name** | **Actual or Estimated** | **Basis for, approach used and assumptions made for estimates, and reasons why best estimate** | **If estimate, actions to report actual data in future** | **Source** | **Methodology** | **Assumptions** |
| | | | | | | calculation of the daily total above with the respective quantity – momentary customer interruptions associated with the excluded events per category (refer to STPIS Section 3.3 (a)) subtracted from the total before dividing by the customer numbers per category. | |

# 6.8 STPIS EXCLUSIONS

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| **Table number** | **Table name** | **Actual or Estimated** | **Basis for, approach used and assumptions made for estimates, and reasons why best estimate** | **If estimate, actions to report actual data in future** | **Source** | **Methodology** | **Assumptions** |
| TABLE 6.8.1 | STPIS Exclusions | Actual | n/a | n/a | Extract data from the Outage Management System | Extract verified data from CMOS (Customer Minutes off Supply) database by modifying the date range of the queries in the database. Run Queries – a) Exclusions-Upstream 1_Cat and b) Exclusions-Upstream 2_Cat. If the query runs no events and no data exists, leave the template 6.8 blank An excluded event which is referring to upstream event in JEN is defined in STPIS Section 3.3 (a). | n/a |

# 6.9 STPIS GSL

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| **Table number** | **Table name** | **Actual or Estimated** | **Basis for, approach used and assumptions made for estimates, and reasons why best estimate** | **If estimate, actions to report actual data in future** | **Source** | **Methodology** | **Assumptions** |
| TABLE 6.9.1 | Guaranteed Service Levels - Jurisdictional GSL Scheme | Actual | n/a | n/a | Appointments and Connections  - SAP<br><br>Reliability of supply – JEN Outage Management System<br><br>Street lights – SAP Notifications are the source of the number of public lighting faults<br><br>Planned interruptions - 4 business days' notice not given – data are captured on a daily basis in Excel spreadsheet and reported monthly in the Service Delivery Monthly Report | Reliability of Supply<br><br>• Outage data for the year is obtained from the OUBI database in the JEN Outage Management System by using Oracle SQL Developer.<br>• This data is then linked to MS Access database from where it is recreated using the query "qryMKtblOutages<year>"( (filters records for the <year>).<br>• The output is a table for all outages in the year.<br>• Run query "qryOutagesFiltered" to create the table "tblOutages<year>Filtered table".<br>• Run the queries detailed in JEN PR 0113 Section 3.4 provide the output required for Template 6.9 – Reliability | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | of supply<br><br>Street lights<br><br>• The Display Notifications function (IW29) is run in SAP using the following criteria:<br>Notification date: Relates to start and end dates for the month<br>Priority: G (GSL<2 business days), P (P/L < 7 business days)<br>Status excluded: DLFL (deletion flag)<br>Planner Group: P/L coordinator<br>Layout: select the public lighting layout<br>• Export the output to excel.<br>• Copy and append the data monthly to the previous month report.<br>• Run the inbuilt macros<br>• Compare the figures in the "Summary" tabs of the "JEN Public Lighting Running report" for the monthly and yearly data to check for differences between the two sets of data. | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | Appointments, Connections, Planned interruptions | |
| | | | | | | Verify appointments and connections data provided by Customer Service in the "(regulatory year) RIN - JEN GSL" Excel workbook by performing checksum as well as comparing to previous year. | |
| | | | | | | Verify planned interruption data provided by Faults & Operations Support in the "AER Planned interruptions reporting 2011-16_JEN" Excel workbook by performing checksum as well as comparing to previous year. | |
| | | | | | | Appointments and Connections (New Connections) - refer to JEN Monthly Reporting – JEM-P-4900. Planned interruptions - 4 business days' notice not given – refer to JEN PR 9667 | |
| TABLE 6.9.2 | Guaranteed Service Levels - AER GSL Scheme | n/a | n/a | n/a | n/a | n/a | n/a |

# 7.8 AVOIDED TUOS PAYMENTS

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 7.8.1 | Avoided TUOS Payments | Actual | n/a | n/a | The data is sourced from AEMO on generators' load who access the avoided TUoS payments under section 5.5(h) of the NER. The data is then reconciled to JEN's General Ledger (**GL**) account at the year end. | Ordinarily actual figures provided by AEMO and extracted out of JEN's GL. In 2016, due to legal issues with renewing a contractual agreement with AEMO, no payments were made. Payments to two generators (Somerton Power Station and Melbourne Water) will be made in 2017 once the contractual issues with AEMO are resolved. | n/a |

## 7.10 JURIS SCHEME

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 7.10.1 | Jurisdictional Scheme Payments | Actual | n/a | n/a | The relevant General Ledger account for PFIT and TFIT jurisdictional schemes. | JEN captures payments for the various solar rebates in specific GL accounts. Data from the GL accounts is used to populate the template. | n/a |

# 7.11 DMIS-DMIA

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 7.11.1 | DMIA – Projects Submitted For Approval | Actual | n/a | n/a | Information is sourced from SAP, the ERP system that JEN uses to capture its financial information.<br><br>As expenditure is incurred, it is captured in PM Orders (cost collectors). PM Order codes can be used to identify various project activities. | Data is extracted from JEN's cost collectors and the methodology included analysing all of the SAP Plant Maintenance (PM) cost collectors that were assigned to DMIA projects.  This is a standard SAP report.<br><br>The projects included in the DMIA scheme for 2016 were as follows:<br><br>• Demand Response Trial Project on 22kV feeder BD-13 (Phase 1)<br>• Demand Management Constraint Analytics Tool (CAT)<br>• Grid Battery Energy Storage System - Feasibility and Concept Design Study<br>• Commercial and Industrial Solar PV and Battery Storage<br>• Residential Demand Response.<br><br>Network overheads and motor vehicle operating expenses have been removed for this template, as the requirement is to disclose direct costs | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | only. | |

# 7.12 SAFETY AND BUSHFIRE

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 7.12.1 | Safety and Bushfire Related Asset Group Definitions and Allocation Basis | n/a | n/a | n/a | JEN's categorisation of safety and bushfire related programs as reported annually to the AER. | All programs completed in 2016 under safety and bushfire related expenditure is tabulated. As per instructions from the AER received by JEN on 1 Feb 17, only items in tables relating to 'installation of GFN and associated equipment at zone substations' have been reported in this template. | n/a |
| TABLE 7.12.2.1 | Bushfire Related Number of Activities | Actual | n/a | n/a | JEN's Geographical Information System (**GIS**) records installation date of assets on the network, which is in turn, maintained in JEN's ERP system, SAP. | Installation of GFN and associated equipment at zone substations – Installation date of GFN and associated equipment at zone substations can be queried via JEN's ERP system. | The volume recorded in this table relates to the installation of one unit in a program of four units spanning nine years. |
| TABLE 7.12.2.2 | Bushfire Related Expenditure | Actual | n/a | n/a | Information is sourced from SAP, the ERP system that JEN uses to | As part of JEN's project approval process, each approved project mandate specifies the primary requirements of each project. | The cost captured in this table relates to the 2016 cost only for a project which spans |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | capture project information. | A list of all projects is extracted from JEN's SAP system and, based on the requirements listed in each approved project mandate, relevant projects are assigned to each bushfire mitigation program. Reports are then run in SAP to collect costs for these projects into various types of cost collectors. Each project is split into the following cost components: <br> - Materials <br> - Labour <br> - Contractors <br> - Others <br> - Network Overheads <br> - Corporate Overheads <br> From these line items, the actual direct cost is a sum of these components for each program or project (excluding corporate overheads). A program may include several projects, where each project has a single identifier in SAP. | several years. That is, the cost captured in 2016 relating to the Installation of GFN and associated equipment at zone substations is not indicative of the total cost of this project. |
| TABLE 7.12.2.3 | Bushfire Related Unit Costs | Actual | n/a | n/a | Volume: <br> As stated in relation | For bushfire related programs, unit rates are calculated based on nominal | This cost relates directly to expenditure |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | to Table 7.12.2.1, JEN maintains asset information in its SAP system. Expenditure: As stated in relation to Table 7.12.2.2, a list of projects is extracted from JEN's SAP system and relevant projects are assigned to each bushfire program. | expenditure during the relevant regulatory year divided by the volume. | in 2016 of a nine year program. This cost is not indicative of the total cost to install one unit. |
| TABLE 7.12.2.4 | Bushfire Related Contingent Project Applications - Volumes Approved | n/a | n/a | n/a | This table is not applicable as JEN did not have any contingent project applications for 2016. | n/a | n/a |
| TABLE 7.12.2.5 | Bushfire Related Contingent Project Applications - Expenditure Approved | n/a | n/a | n/a | This table is not applicable as JEN did not have any contingent project applications for 2016. | n/a | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 7.12.3.1 | Safety Related Number of Activities | Actual | n/a | n/a | JEN does not have any activities to report in this table, as the installation of GFN and associated equipment at zone substations which JEN has undertaken has been reported as a bushfire related activity in Table 7.12.2.1 | n/a | n/a |
| TABLE 7.12.3.2 | Safety Related Expenditure | Actual | n/a | n/a | JEN does not have any expenditure to report in this table, as the expenditure on installation of GFN and associated equipment at zone substations which JEN has undertaken has been reported as bushfire related | n/a | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | expenditure in Table 7.12.2.2. | | |
| TABLE 7.12.3.3 | Safety Related Unit Costs | Actual | n/a | n/a | JEN does not have any unit costs to report in this table, as the installation of GFN and associated equipment at zone substations which JEN has undertaken has been reported as bushfire related in Table 7.12.2.3. | n/a | n/a |
| TABLE 7.12.4 | Safety Improvement Outcomes Reported to ESV | Actual | n/a | n/a | Under the current Electricity Safety (Bushfire Mitigation) Regulations, ESV requires JEN to report monthly the installation progress of REFCLs at four zone substations.<br><br>For 2016 one REFCL was | Installation of GFN and associated equipment at zone substations – Installation date of GFN and associated equipment at zone substations can be queried via SAP. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | scheduled to be installed at a JEN owned Zone Substation. JEN's GIS records installation date of assets on the network, which is in turn, maintained in SAP. | | |
| TABLE 7.12.5 | Safety Improvement Outcomes Reconciliation | n/a | n/a | n/a | n/a | n/a | n/a |

# 7.13 TARC

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| **Table number** | **Table name** | **Actual or Estimated** | **Basis for, approach used and assumptions made for estimates, and reasons why best estimate** | **If estimate, actions to report actual data in future** | **Source** | **Methodology** | **Assumptions** |
| TABLE 7.13.1 | Total Annual Retailer Charges (**TARC**) | Actual | n/a | n/a | The data is sourced from revenue reports produced by JEN's billing systems | JEN has changed the method it uses to calculate TARC in 2016. The underlying reasons for the change in the methodology are:<br><br>(1) The new RIN notice defines TARC as "the total amount of network charges billed by JEN to all retailers as most recently reported by JEN to the AER". The amount reported includes the net amount of accrued network charges.<br><br>(2) Network charges, per chapter 10 of the National Electricity Rules (**NER**), refers to the definition in chapter 6B.A1.2<br><br>(3) Section 6B.A1.2 of the NER states network charges "means charges that a Distribution Network Service Provider is entitled to claim for customer connection services in respect of shared customers under these Rules." This section refers the reader to the National Energy Retail | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | Law (**NERL**) for definitions of customer connection services and shared customers.<br><br>(4)    The NERL defines customer connection services as those services provided under a customer connection contract (cl. 66(2))<br><br>(5)    A customer connection contract (NERL, cl. s67) defines contracts as basic, standard or negotiated. Related to these contracts are the fees and charges – approved by the AER –to bill customers.<br><br>JEN's historical approach only used the definition of 'connection services' but not 'connection contracts'.  For 2016, therefore, JEN has added the following into the TARC calculation:<br><br>• F-factor and Alternative Control Fee-based, Quoted and Public Lighting Services—on the basis that these charges fall under an EDPR determination under NER Chapter 6 and are included under a standard connection contract.<br><br>• Advanced Metering Infrastructure | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | Services – up to and including the 2015 regulatory year these services were recovered under the AMI CROIC and therefore did not fall within the chapter 5A or chapter 6 criteria for inclusion in TARC.  With the 2016-20 EDPR determination, the classification of AMI has changed to be "type, 6 and smart metering revenue" falling within the chapter 6 decision and therefore within the TARC calculation. | |

# 8.1 INCOME

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| 8.1.1.1; 8.1.1.2; 8.1.1.3 | Audited statutory accounts column | Actual | n/a | n/a | JEN's audited Special Purpose Financial Statements (**SPFR**) for CY16 and the underlying trial balance (**TB**) and supporting documents. | Various accounts in the TB are mapped to the account descriptions as per the RIN. Where disclosures in this RIN template align with the audited SPFR the figures are sourced from the audited SPFR. Where this is not possible, the figures are sourced from the trial balance supporting the audited SPFR. | n/a |
| | Adjustments column | Actual | n/a | n/a | Various adjustments to the audited SPFR to arrive at the JEN distribution business' regulatory amounts to reflect the AER's RIN submission guidelines that differ from recognition or measurement requirements of Australian Accounting Standards. | The adjustment column is part of a reconciliation required by the notice. Refer to section 1(c) of Schedule 1 of the JEN submission for this reconciliation. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | Distribution Business column | Actual | n/a | n/a | This column summates the regulatory categories in this template excluding unregulated services and negotiated services. | n/a | n/a |
| | Standard Control Services column | Actual | n/a | n/a | JEN agreed this section to underlying TB and supporting documents. | JEN has ensured that the items within the income statement link to the underlying TB and supporting documents. | n/a |
| | Alternative Control Services - Public Lighting column | Actual | n/a | n/a | JEN agreed Public lighting in this section to supporting template 4.1 Public lighting contained in the RIN. JEN also agreed this section to underlying TB and supporting documents. | JEN has ensured that the items within the income statement agree to supporting template 4.1 for Public lighting in the RIN and, also, to the underlying TB and supporting documents. | n/a |
| | Alternative Control Services – Other – Connection Services column | Actual | n/a | n/a | JEN agreed this section to underlying TB and supporting documents. | JEN has ensured that the items within the income statement, link to the underlying TB and supporting documents. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | Alternative Control Services – Other – Metering Services column | Actual | n/a | n/a | JEN agreed this section to underlying TB and supporting documents. | JEN has ensured that the items within the income statement, link to the underlying TB and supporting documents. | n/a |
| | Alternative Control Services – Other – Ancillary Network Services column | Actual | n/a | n/a | JEN agreed this section to underlying TB and supporting documents. | JEN has ensured that the items within the income statement, link to the underlying TB and supporting documents. | n/a |
| 8.1.1.1 | REVENUE  Customer Contributions | Actual | n/a | n/a | JEN's SPFR for CY16 and the underlying TB. | Customer contributions are not carried into RIN in accordance with method approved in the final 2016-20 Distribution Determination.. | n/a |
| 8.1.1.1 | REVENUE  F-Factor | Actual | n/a | n/a | JEN carved out F-Factor revenue from DUoS revenue. | F-Factor revenue is embedded within DUoS revenue and was carved out for purposes of reporting under this section. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| 8.1.1.1 | REVENUE<br><br>Other Revenue | Actual | n/a | n/a | Negotiated and unregulated revenue are not carried into RIN. | Negotiated and unregulated revenue are not carried into RIN. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| 8.1.1.2 | EXPENDITURE<br><br>Depreciation | Estimate | JEN estimated the allocation of depreciation across the regulatory categories, as actual depreciation by this categorisation is not available in JEN's SAP system. | JEN is currently undertaking a project (consistent with that which it proposed in its 2016-20 regulatory proposal) to identify and implement actions necessary to report actual information in the future, with the target of fully implementing all initiatives during this year. | Percentage allocation is derived from the CY12 deprecation by regulatory category, as disclosed in the RIN. The total actual depreciation for CY16 is sourced from the audited SPFR.<br><br>JEN amends the statutory depreciation by adjusting for the depreciation impact of customer contributions and depreciation that was not reduced against the RAB but adjusted for acquisition accounting purposes. | JEN allocated depreciation across the regulatory categories, by deriving a percentage of that sourced from the CY12 RIN. This RIN had a requirement to disclose depreciation across the regulatory categories. JEN applied this methodology in its CY13 to CY15 RIN submissions. | JEN considers the CY12 allocation of depreciation across the regulatory categories as reasonable and the best approach to estimate an appropriate allocation for CY16.<br><br>No other assumptions are made. |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| 8.1.1.2 | EXPENDITURE<br><br>Jurisdictional scheme amounts | Actual | n/a | n/a | JEN agreed Jurisdictional scheme amounts in this section to supporting template 7.10 Jurisdictional schemes in the RIN. | JEN has ensured that the items within the income statement, link to supporting template 7.10 for Jurisdictional schemes in the RIN. | n/a |
| 8.1.1.2 | EXPENDITURE<br><br>Finance Charges | Actual | n/a | n/a | JEN's SPFR for CY16 and the underlying TB. | Finance charges are not incurred by JEN and are not carried into RIN. | n/a |
| 8.1.1.2 | EXPENDITURE<br><br>Loss from sale of Fixed Assets | Actual | n/a | n/a | JEN agreed this section to underlying TB. | Loss from sale of Fixed Assets related to unregulated and other excluded expenditure are not carried into RIN. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| 8.1.1.2 | EXPENDITURE<br><br>Other types of expenditure (including operating and maintenance expenditure) | Actual | n/a | n/a | JEN's SPFR for CY16 and the underlying TB or other supporting documents. | JEN has ensured that the items within the income statement, link to supporting template 8.4 for operating and maintenance expenditure and for other types of expenditure to the underlying TB and supporting documents. | n/a |
| 8.1.1.3 | PROFIT<br><br>Income Tax Expense | Actual | n/a | n/a | JEN's SPFR for CY16 and the underlying TB. | Income tax charges are not carried into RIN. | n/a |

## 8.2 CAPEX

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| 8.2.1 | Capex By Purpose - Standard Control Services (Actual) | Actual | n/a | n/a | Capex is categorised in accordance with the JEN Substitute Distribution Determination 2016-20. These categories align with the Expenditure Summary categories in JEN's Reset RIN Response.<br><br>JEN uses its ERP system to capture costs associated with capital expenditure.<br><br>PM orders in SAP collect costs based on the activity on which an employee works and the activity to which external costs are associated. These aggregate into Work Breakdown Structures (higher level cost collector) which in turn | Capex data is categorised per activity and service codes and are summarised into the relevant regulatory category.<br><br>SAP Master Data is used to populate the relevant sections of the template, categorisation for "Class", "Sub-class" and "Voltage" which is then cross checked with the separate IMS Mapping table. All expenditure line items are assigned to the appropriate classifications based upon the project activity and description.<br><br>The information is extracted using a data extraction tool, BI and exported into Excel for analysis and sorting into the RIN tables, by regulatory category. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | aggregates the costs at a project level.

Capex expenditure categorisation is based upon activity/service category codes included in the WBS Elements coding.  SAP Master data contains regulatory classification data which is cross-checked against a separate Investment Management System (**IMS**) Mapping table.

JEN uses time writing functionality in SAP to capture internal labour costs.  Where practical and appropriate, all employees time write to an activity/PM order or to a client e.g. JEN. These form the direct costs incurred for a respective activity. External costs are good receipted against | | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | purchase orders issued to external vendors. Purchase orders contain the PM order and WBS Element information. JEN capitalises corporate and network overheads based on a percentage of direct costs. | | |
| 8.2.1 | Capex By Purpose - Standard Control Services (CPI Adjusted forecast) | Actual | n/a | n/a | AER Substitute Decision 2016-20 Post-tax Revenue Model (**PTRM**) released May 2016. | Allowances were extracted from AER Substitute Decision 2016-20 PTRM and escalated from real 2015 dollars to nominal dollars.  Actual CPI inputs are sourced from the Australian Bureau of statistics (**ABS**) (6401.0 - Consumer Price Index, Australia) with reference to the all groups CPI inflation series A2325846C, which is the weighted average for the eight capital cities. The AER's substitute determination for JEN's 2016-20 regulatory period specified that Consumer Price Index (**CPI**) should be calculated based on a | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | June quarter end, which assumes mid-year timing for calendar year analysis.  As regulatory allowances within the AER's PTRM are set as 'end of period', real 2015 dollar allowances are first deflated from December 2015 to June 2015 by a half year adjustment.  For escalating a real 2015 allowance to nominal dollars, the half year adjustment factor = 1/(1 + 2.31%)^(0.5) = 0.989 | |
| | | | | | | Consistent with the lagged CPI approach applied by the AER within JEN's price control mechanism formulas, the June 2016 CPI value is based on the movement between June 2015 and June 2014 = (Jun15/Jun14)-1 = (107.5/105.9)-1 = 1.51% | |
| | | | | | | The real 2015 allowance is therefore escalated to nominal dollars by multiplying the allowance by a factor of 0.989*(1 + 1.51%) = 1.00359 | |
| 8.2.2 | Capex By | Actual | n/a | n/a | n/a | Where applicable JEN's | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | Purpose - Material Difference Explanation | | | | | experienced engineers analyse the actual data against the allowances. From this analysis, variance commentary is drawn and reported. | |
| 8.2.3 | Capex Other | Allowance (Actual)

Actual | n/a

n/a | n/a

n/a | AER Substitute Decision 2016-20 Public Lighting Model.

As per source described in TABLE 8.2.1 above, JEN uses SAP Master data to categorise into classes required by the RIN which is cross checked with IMS mapping table. | As per method described in TABLE 8.2.1 above.

As per method described in TABLE 8.2.1 above except Capex is reported exclusive of Capital Contributions.
Metering Capex has been included because it has a RAB and a Substitute Decision 2016-20 PTRM. | n/a

n/a |
| 8.2.4 | Capex By Asset Class | Allowance (Actual) | n/a | n/a | AER Substitute Decision 2016-20 Roll Forward Model and Post-tax Revenue Model (PTRM). | Allowances extracted from AER 2016-20 substitute decision PTRM and converted to nominal amounts using the escalation methodology outlined for the TABLE 8.2.1 allowances above. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| **Table number** | **Table Name** | **Actual or Estimate** | **Basis for, approach used and assumptions made for estimates, and reasons why best estimate** | **If estimate, actions to report actual data in future** | **Source** | **Methodology** | **Assumptions** |
| | | Actual | n/a | n/a | As per TABLE 8.2.1 above, SAP Master data includes regulatory classification data which is cross checked against the IMS mapping table. | As per TABLE 8.2.1 above except Capex is reported exclusive of Capital Contributions. Net actual capex by asset class has been determined by subtracting capital contributions from gross capex. Public lighting, Alternative Control Services, and Negotiated Services have been excluded because they were not included in the Substitute Decision 2016-20 Roll Forward Model and the Post-tax Revenue Model. | n/a |
| 8.2.5 | Customer Contributions By Asset Class | Allowances (Actual) | n/a | n/a | JEN customer contributions model submitted for 2016-20 distribution determination. | Extracted the customer contributions allowance from the AER Substitute Decision 2016-20 Post-tax Revenue model and converted to nominal amounts using the escalation methodology outlined for the TABLE 8.2.1 allowances above. | n/a |
| | | Actual | n/a | n/a | Data has been obtained directly from the SAP General Ledger Customer | Customer contributions are categorised at the WBS level and | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | Contributions revenue account.<br><br>As per table 8.2.1 above, SAP Master data includes regulatory classification data which is cross checked against the IMS mapping table.<br><br>IMS Mapping was used to remove non-SCS Contributions from the General Ledger Customer Contributions download. | recorded for each project. The WBS codes are recorded against each transaction in the Customer Contributions revenue account. | |
| 8.2.6 | Disposals By Asset Class | Allowances (Actual) | n/a | n/a | AER Substitute Decision 2016-20 Post-tax Revenue model | Extracted Asset Disposals Allowance per the AER Substitute Decision 2016-20 Post-tax Revenue model and converted to nominal amounts using the escalation methodology outlined for the TABLE 8.2.1 allowances above. | n/a |
| | | Actual | n/a | n/a | Cash proceeds data is sourced directly from SAP | Cash proceeds from disposals are extracted from the Dec-16 Fixed Assets Movements report which is | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
|  |  |  |  |  |  | developed based on SAP transaction data. |  |

## 8.4 OPEX

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 8.4.1 | Operating & Maintenance Expenditure (Audited Statutory Accounts) | Actual | n/a | n/a | JEN's SPFR for CY16 and the underlying TB. JEN uses its ERP system to capture costs associated with operating expenditure. Where disclosures in this RIN template align with the audited SPFR, the figures are sourced from the SPFR. Where this is not possible, the figures are sourced from the audited trial balance that supports the audited SPFR. | The information is sourced directly from the trial balance supporting JEN's audited SPFR. | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 8.4.1 | Maintenance Expenditure | Actual | n/a | n/a | JEN's cost collection process use projects (WBS elements) to collect costs at the macro level. PM orders and activities are set up to collect costs at a micro level. These PM orders /activities are designed to collect costs based on the activity, on which an employee works and to accept any external costs associated with that activity. Note that the SAP WBS element codes are also designed to identify the regulatory category, e.g. SCS, Public Lighting, Metering, Ancillary Services and Unregulated. JEN uses time writing to capture internal labour costs. Where practical and appropriate, all employees time write to a PM | The maintenance expenditure is derived from extracting all of JEN's financial transactions using a data extraction tool, Business Intelligence and exported into Excel for analysis and sorting into the RIN table by regulatory category. JEN allocates overheads to these activities based on its internal policies and in accordance with the AER approved Cost Allocation Method. The overheads included in this template consist of an allocation of residual Asset Management, Service Delivery, Property and corporate overheads: <br>• Corporate overheads charged to JEN are recorded at a project level within JEN. The WBS element codes are then used to determine the appropriate regulatory category. | JEN believes that allocating overheads on the basis of direct cost to each WBS element is the best approach to provide data. |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | order/activity or to a client e.g., JEN. These form the direct costs incurred for a respective activity. External costs are good receipted against purchase orders issued to external vendors. Purchase orders contain the PM order and WBS Element information. Opex expenditure categorisation is based upon activity/service category codes included in the WBS Elements coding.  SAP Master data contains regulatory classification data which is cross-checked against a separate IMS Mapping table. JEN has an Operating & Maintenance (**O&M**) Model that splits its costs into Maintenance and | • Residual Asset Management, Service Delivery and Property costs are allocated on a basis of direct costs. <br><br> • Maintenance and operating expenditure (respectively) is obtained directly from the Operating & Maintenance source file. | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | Operating categories. As JEN itself does not incur debt raising costs, amounts relating to this category are reported under the 'Other – Standard Control Services' category. | | |
| | | Allowances (Actual) | n/a | n/a | AER Substitute Decision 2016-20 PTRM and the regulatory reporting statement submitted by JEN alongside its 2016-20 regulatory proposal (30 April 2015) (**regulatory proposal**), table 3.2.1.1. | Allowances were extracted from AER Substitute Decision 2016-20 PTRM and converted to nominal amounts that align to the categories identified in JEN's regulatory proposal at table 3.2.1.1 current opex categories and cost allocations. JEN made some adjustments to these allocations to these categories to make this information more meaningful, based on cost analysis of its 2014 base year. The adjustments which JEN has made are set out in Appendix A. | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | Actual CPI inputs are sourced from the ABS (6401.0 - Consumer Price Index, Australia) with reference to the all groups CPI inflation series A2325846C, which is the weighted average for the eight capital cities. | |
| | | | | | | The AER's substitute determination for JEN's 2016-20 regulatory period specified that CPI should be calculated based on a June quarter end, which assumes mid-year timing for calendar year analysis.  As regulatory allowances within the AER's Post Tax Revenue Model are set as 'end of period', real 2015 dollar allowances are first deflated from December 2015 to June 2015 by a half year adjustment.  For escalating a real 2015 allowance to nominal dollars, the half year adjustment factor = $1/(1 + 2.31\%)^{(0.5)} = 0.989$ | |
| | | | | | | Consistent with the lagged CPI approach applied by the AER | |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table Name | Actual or Estimate | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| | | | | | | within JEN's price control mechanism formulas, the June 2016 CPI value is based on the movement between June 2015 and June 2014 = (Jun15/Jun14)-1 = (107.5/105.9)-1 = 1.51% The real 2015 allowance is therefore escalated to nominal dollars by multiplying the allowance by a factor of 0.989*(1 + 1.51%) = 1.00359 | |
| TABLE 8.4.2 | Maintenance Expenditure - By Purpose - Margins Only | Actual | n/a | n/a | JEN was unable to obtain Related Party margin information from its Related Entity, and did not disclose them. | n/a | n/a |
| TABLE 8.4.3 | Explanation Of Material Difference | n/a | n/a | n/a | n/a | Where applicable JEN's experienced engineers analyse the actual data against the allowances. From this analysis, variance commentary is drawn and reported for items where the variance is > ±10%. | n/a |

# 9.5 TUOS

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 9.5.1 | TUOS Charges (AEMO) | Actual | n/a | n/a | AEMO invoices. | AEMO invoice data is captured in an excel file on a monthly basis and the 12 months for 2016 are then added up. The excel file is reconciled with JEN's relevant General Ledger account at year end. | n/a |
| TABLE 9.5.2 | Transmission Connection Fees | Actual | n/a | n/a | AusNet Services invoices. | AusNet Services invoice data is captured in an excel file on a monthly basis and the 12 months for 2016 are then added up. The excel file is reconciled with JEN's relevant General Ledger account at year end. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 9.5.3 | Cross Boundary Network Charges | Actual | n/a | n/a | Citipower and Powercor: The data is obtained from IMS_WholesaleMeterReporting database for each month. The data is then captured in an excel file on a monthly basis. The data is then reconciled to JEN's relevant GL account at the year end. AusNet Services: The data is received from AusNet and cross checked against the IMS_WholesaleMeterReporting database. The data is then captured in the Costs of Sales.xls file on a monthly basis. The data is then reconciled to JEN's relevant GL account at year end. | Citipower and Powercor: Cross Boundary charges are calculated using the AER approved rates (exclusive of Jurisdictional Scheme tariffs) and sent to Citipower and Powercor for checking. Once confirmed, JEN sends out the invoices. Total charged for the year is reported. AusNet Services: AusNet Services calculates the charges and sends to JEN for approval. JEN cross checks the data against IMS_WholesaleMeterReporting database and pays the invoice. Total incurred for the year is reported. | n/a |

| Base information | | Data Type | | | Population approach | | |
|---|---|---|---|---|---|---|---|
| Table number | Table name | Actual or Estimated | Basis for, approach used and assumptions made for estimates, and reasons why best estimate | If estimate, actions to report actual data in future | Source | Methodology | Assumptions |
| TABLE 9.5.4.1 | Payments to Embedded Generators – Avoided Transmission Costs | Actual | n/a | n/a | n/a | n/a | n/a |
| TABLE 9.5.4.2 | Payments to Embedded Generators – Avoided TUoS Usage Charges | Actual | n/a | n/a | As per schedule 7.8 Avoided TUOS Payments | As per schedule 7.8 Avoided TUOS Payments. | n/a |

# APPENDIX A – ADJUSTMENTS TO OPEX ALLOWANCE

The following changes have been made to refine the reclassification of the total allowance into more meaningful categories as disclosed in table 8.4.1 of template 8.4: -

1. Inspection: The inspection allowance was included in Routine Maintenance of the JEN's regulatory reporting statement accompanying its 2016-20 regulatory proposal (30 April 2015) (**regulatory proposal**), table 3.2.1.1.  JEN has shown this as a separate item in in table 8.4.1 of template 8.4.

2. Metering: The SCS metering allowance is reclassified to Customer service, Network operating and Other Maintenance.

3. Property: The Property allowance was included in Maintenance activities in JEN's regulatory proposal, JEN has reclassified this amount into Network Operating and Other SCS Operating.

4. Network Operating: Network related allowances relating to activities such as Standard & Policy development, Strategy planning, Asset Performance & Assessments and Maintaining asset records reclassified from Routine and Emergency response in JEN's regulatory proposal.

5. SCADA: The SCADA allowance was included in Network Operating of JEN's regulatory proposal.  JEN has shown this as a separate item in the table 8.4.1 of template 8.4.