

2019-24 Regulatory Proposal Compliance Checklist

Reference table of compliance with National Electricity Rules

April 2018

1 Purpose and context

Under the National Electricity Rules (NER), Endeavour Energy is required to submit a regulatory proposal in accordance with the requirements of clause 6.8.2 as modified by clause 11.56.4 relating to the 2019-24 period. The NER sets out information we are required to provide, or matters that we must address in our regulatory proposal.

Our regulatory proposal comprises a suite of documents that provides information required under the NER. This includes:

- A customer overview of the regulatory proposal document in plain English.
- The regulatory proposal document which sets out our proposal on each constituent decision the AER is required to make.
- All supporting attachments submitted to substantiate our regulatory proposal.
- A further suite of detailed and largely technical supporting documents.
- Confidentiality templates which identify the page and paragraph number of the documents containing confidential information.

The purpose of this document is to provide a reference table which identifies where we have provided information or addressed matters required by the NER as part of our suite of documents that comprise our regulatory proposal.

2 Reference table

The reference table below identifies each provision of the NER that imposes an obligation on Endeavour Energy to provide information or address a matter in our regulatory proposal. We identify the obligation, and provide a reference to where Endeavour Energy has provided that information in a section of the regulatory proposal document, or as part of our suite of documents that comprises our regulatory proposal.

Table: Reference table for Rules compliance

NER clause	Requirement	Demonstration of compliance
6.3.1(c)	<p>The building block proposal:</p> <p>(1) must be prepared in accordance with the post-tax revenue model and other relevant requirements of this Part;</p> <p>(2) must comply with the requirements of, and must contain or be accompanied by the information required by, any relevant regulatory information instrument; and</p> <p>(3) must be prepared in accordance with Schedule 6.1.</p>	<p>(1) Regulatory Proposal (Attachment 0.01) - section 13.2.1 (p.188). PTRM (Attachment 0.04).</p> <p>(2) See attached RIN response.</p> <p>(3) See separate references to requirements of Schedule 6.1 in this table.</p>
6.4B.2	<p>(a) A Distribution Network Service Provider may request an asset exemption from the AER in respect of a specific asset or class of asset by submitting a written request in accordance with this Chapter (an exemption application).</p> <p>(b) A Distribution Network Service Provider must have regard to the Asset Exemption Guidelines when preparing and submitting an exemption application.</p> <p>(c) An exemption application must include:</p> <p>(1) details of the type of asset exemption which is being sought by the Distribution Network Service Provider under clause 6.4B.1(a);</p> <p>(2) a description of the asset or class of asset in respect of which the proposed asset exemption would apply, including the location and anticipated or known cost of the proposed asset or class of asset;</p> <p>(3) details of the standard control services that would be provided by the asset or class of asset in respect of which the proposed asset exemption would apply;</p> <p>(4) the likely impacts on the development of competition in markets for energy related services if the Distribution Network Service Provider invests in the assets the subject of the asset exemption; and</p> <p>(5) any additional information that must be submitted by a Distribution Network Service Provider under the Asset Exemption Guidelines.</p>	<p>Endeavour Energy is not seeking an exemption. This is explained in the Regulatory Proposal (Attachment 0.01) - section 6.2.1 (p.60).</p>

<p>6.5.6(a)</p>	<p>A building block proposal must include the total forecast operating expenditure for the relevant regulatory control period which the Distribution Network Service Provider considers is required in order to achieve each of the following (operating expenditure objectives):</p> <p>(1) meet or manage the expected demand for standard control services over that period;</p> <p>(2) comply with all applicable regulatory obligations or requirements associated with the provision of standard control services;</p> <p>(3) to the extent that there is no applicable regulatory obligation or requirement in relation to:</p> <p>(i) the quality, reliability or security of supply of standard control services; or</p> <p>(ii) the reliability or security of the distribution system through the supply of standard control services, to the relevant extent:</p> <p>(iii) maintain the quality, reliability and security of supply of standard control services; and</p> <p>(iv) maintain the reliability and security of the distribution system through the supply of standard control services; and</p> <p>(4) maintain the safety of the distribution system through the supply of standard control services.</p>	<p>Paragraphs (1) – (4) are all referenced in the Regulatory Proposal (Attachment 0.01) - section 11.1 (p. 157).</p> <p>Regulatory Proposal - section 11.1 (p.157) deals with Standard Control Services and meeting requirements under regulation.</p> <p>Regulatory Proposal - section 11.6 (p.170) and 11.7 (p.177) deal with forecast over the 2019-2024 period (regarding changes).</p> <p>Regulatory Proposal - Chapter 7: Demand, Energy and Customer Forecasts (p.62) which relate to the Opex forecasts.</p> <p>Expenditure Forecasting Methodology Statement (Attachment 0.07) - section 8.2 - Opex Model</p> <p>For clause (iii)</p> <ul style="list-style-type: none"> • Expenditure Forecasting Methodology Statement - section 8.4, 8.5 and 8.6 • Schedule 1 RIN response (Attachment RIN0.09) - section 10 (Operating And Maintenance Expenditure)
<p>6.5.6(b)</p>	<p>The forecast of required operating expenditure of a Distribution Network Service Provider that is included in a building block proposal must:</p> <p>(1) comply with the requirements of any relevant regulatory information instrument;</p> <p>(2) be for expenditure that is properly allocated to standard control services in accordance with the principles and policies set out in the Cost Allocation Method for the Distribution Network Service Provider; and</p> <p>(3) include both:</p> <p>(i) the total of the forecast operating expenditure for the relevant regulatory control period; and</p> <p>(ii) the forecast operating expenditure for each regulatory year of the relevant regulatory control period.</p>	<p>(1) Regulatory Proposal (Attachment 0.01) - section 11.1 (p.157); section 11.3.1 (p.160)</p> <p>(2) Regulatory Proposal - section 11.1 (p.157); section 11.3.1 (p.160)</p> <p>(3) Regulatory Proposal - section 11.1 (p.157)</p> <p>See also: Schedule 1 RIN response (Attachment RIN0.09); Expenditure Forecasting Methodology Statement (Attachment 0.07)</p>
<p>6.5.7(a)</p>	<p>A building block proposal must include the total forecast capital expenditure for the relevant regulatory control period which the Distribution Network Service Provider considers is required in</p>	<p>(1) Regulatory Proposal (Attachment 0.01) - section 10.1 (p.102); section 10.3</p>

	<p>order to achieve each of the following (the capital expenditure objectives):</p> <p>(1) meet or manage the expected demand for standard control services over that period;</p> <p>(2) comply with all applicable regulatory obligations or requirements associated with the provision of standard control services;</p> <p>(3) to the extent that there is no applicable regulatory obligation or requirement in relation to:</p> <p>(i) the quality, reliability or security of supply of standard control services; or</p> <p>(ii) the reliability or security of the distribution system through the supply of standard control services, to the relevant extent:</p> <p>(iii) maintain the quality, reliability and security of supply of standard control services; and</p> <p>(iv) maintain the reliability and security of the distribution system through the supply of standard control services; and</p> <p>(4) maintain the safety of the distribution system through the supply of standard control services.</p>	<p>(p.108)</p> <p>Expenditure Forecast Methodology Statement (Attachment 0.07) - section 9.0 (p.30)</p> <p>(2) Regulatory Proposal - section 10.3 (p. 108-111)</p> <p>Expenditure Forecast Methodology Statement - section 9.0 (p.30)</p> <p>(3), (4) Regulatory Proposal – section 10.1 (p.102); section 10.3 (p.108)</p> <p>Expenditure Forecast Methodology Statement - section 9.1.3 (p. 33)</p> <p>See also: Schedule 1 RIN response (Attachment RIN0.09) – sections 4.1 and 17; Regulatory Proposal – Chapter 7 (Demand Energy & Customer Forecasts) and Chapter 13 (Building Blocks)</p>
<p>6.5.7(b)</p>	<p>The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must:</p> <p>(1) comply with the requirements of any relevant regulatory information instrument;</p> <p>(2) be for expenditure that is properly allocated to standard control services in accordance with the principles and policies set out in the Cost Allocation Method for the Distribution Network Service Provider;</p> <p>(3) include both:</p> <p>(i) the total of the forecast capital expenditure for the relevant regulatory control period; and</p> <p>(ii) the forecast capital expenditure for each regulatory year of the relevant regulatory control period; and</p> <p>(4) identify any forecast capital expenditure for the relevant regulatory control period that is for an option that has satisfied the regulatory investment test for transmission or the regulatory investment test for distribution (as the case may be).</p> <p>(5) not include expenditure for a restricted asset, unless:</p> <p>(i) to the extent that any such expenditure includes an amount of unspent capital expenditure for a contingent project in accordance with paragraph (g), an asset exemption has been granted by the AER under clause 6.4B.1(a)(2) in respect of that asset or that class of asset for that contingent</p>	<p>(1) Regulatory Proposal (Attachment 0.01) - section 10.3 (p. 108); section 10.3.2 (p.110)</p> <p>Expenditure Forecast Methodology Statement – Attachment 0.07 - section 9.0 (p.30)</p> <p>(2) Regulatory Proposal - section 10.5 (p.119, p.142); section 10.3 (p.108); section 10.3.2 (p.111) for licence conditions</p> <p>Expenditure Forecast Methodology Statement (Attachment 0.07) - section 9.0 (p.30)</p> <p>(3) Regulatory Proposal – section 10.1 (p.102); section 10.5 (p.119)</p> <p>(4) Regulatory Proposal – section 10.5.2 (p.128)</p> <p>See also: Schedule 1 RIN response (Attachment RIN0.09)</p>

	<p>project;</p> <p>(ii) to the extent that any such expenditure relates to a positive pass through amount, an asset exemption has been granted by the AER under clause 6.4B.1(a)(3) in respect of that asset or that class of asset for that positive pass through amount; or</p> <p>(iii) otherwise, the Distribution Network Service Provider has submitted an exemption application with the regulatory proposal requesting an asset exemption under clause 6.4B.1(a)(1) for the regulatory control period in respect of that asset or class of asset.</p>	
6.5.10(a)	A building block proposal may include a proposal as to the events that should be defined as pass through events under clause 6.6.1(a1)(5) having regard to the nominated pass through event considerations.	Regulatory Proposal (Attachment 0.01) - section 6.3.1 (p.61) Pass Through Event Proposal (Attachment 0.12)
6.6A.1	<p>(a) Subject to paragraph (a1), a regulatory proposal may include proposed contingent capital expenditure, which the Distribution Network Service Provider considers is reasonably required for the purpose of undertaking a proposed contingent project.</p> <p>(a1) Proposed contingent capital expenditure that is included in a regulatory proposal of a Distribution Network Service Provider must not include expenditure for a restricted asset, unless that Distribution Network Service Provider has submitted an exemption application with the regulatory proposal, which requests an asset exemption under clause 6.4B.1(a)(2) in respect of that asset or class of asset for the contingent project.</p>	Regulatory Proposal (Attachment 0.01) - section 10.6.1 (p.154)
6.7.5	<p>a) A Distribution Network Service Provider must prepare a document (the negotiating framework) setting out the procedure to be followed during negotiations between that provider and any person (the Service Applicant or applicant) who wishes to receive a negotiated distribution service from the provider, as to the terms and conditions of access for the provision of the service.</p> <p>(b) The negotiating framework for a Distribution Network Service Provider must comply with and be consistent with:</p> <p>(1) the applicable requirements of the relevant distribution determination; and</p> <p><i>Note: See clause 6.7.3.</i></p> <p>(2) paragraph (c), which sets out the minimum requirements for a negotiating framework.</p>	Regulatory Proposal (Attachment 0.01) - Chapter 6 (p.60) Negotiating Framework (Attachment 0.13)
6.7A.1	(a) A Distribution Network Service Provider must prepare a document (its proposed connection policy) setting out the circumstances in which it may require	Regulatory Proposal (Attachment 0.01) - section 10.3.2 (p.110)

	<p>a retail customer or real estate developer to pay a connection charge, for the provision of a connection service under Chapter 5A.</p> <p>(b) The proposed connection policy:</p> <p>(1) must be consistent with:</p> <p>(i) the connection charge principles; and</p> <p>(ii) the connection charge guidelines; and</p> <p>(2) must specify:</p> <p>(i) the categories of persons that may be required to pay a connection charge and the circumstances in which such a requirement may be imposed; and</p> <p>(ii) the aspects of a connection service for which a connection charge may be made; and</p> <p>(iii) the basis on which connection charges are determined; and</p> <p>(iv) the manner in which connection charges are to be paid (or equivalent consideration is to be given); and</p> <p>(v) a threshold (based on capacity or any other measure identified in the connection charge guidelines) below which a retail customer (not being a nonregistered embedded generator or a real estate developer) will not be liable for a connection charge for an augmentation other than an extension.</p>	<p>Connection Policy (Attachment 0.09)</p>
<p>6.8.1A</p>	<p>(a) A Distribution Network Service Provider must inform the AER of the methodology it proposes to use to prepare the forecasts of operating expenditure and capital expenditure that form part of its regulatory proposal.</p> <p>(b) A Distribution Network Service Provider must submit the information referred to in paragraph (a):</p> <p>(1) at least 24 months before the expiry of a distribution determination that applies to the Distribution Network Service Provider; or</p> <p>(2) if no distribution determination applies to the Distribution Network Service Provider, within 3 months after being required to do so by the AER.</p>	<p>Expenditure Forecasting Methodology Statement (Attachment 0.07)</p>
<p>6.8.2(a)-(b)</p>	<p>(a) A Distribution Network Service Provider must, whenever required to do so under paragraph (b), submit to the AER a regulatory proposal and a proposed tariff structure statement related to the distribution services provided by means of, or in connection with, the Distribution Network Service Provider's distribution system.</p> <p>(a1) A Distribution Network Service Provider must submit to the AER any exemption application for an asset exemption under clause 6.4B.1(a)(1) or 6.4B.1(a)(2) for the regulatory control period at the</p>	<p>(a), (b) Regulatory Proposal (Attachment 0.01)</p> <p>Tariff Structure Statement (Attachment TSS0.01)</p> <p>(a1) Endeavour Energy is not seeking an exemption. This is explained in the Regulatory Proposal - section 6.2.1 (p.60)</p>

	<p>same time as submitting the relevant regulatory proposal under paragraph (a).</p> <p>(b) A regulatory proposal and a proposed tariff structure statement and, if required under paragraph (a1), an exemption application must be submitted:</p> <p>(1) at least 17 months before the expiry of a distribution determination that applies to the Distribution Network Service Provider; or</p> <p>(2) if no distribution determination applies to the Distribution Network Service Provider, within 3 months after being required to do so by the AER.</p>	
6.8.2 (c)(1)	<p>A regulatory proposal must include a classification proposal:</p> <p>(i) showing how the distribution services to be provided by the Distribution Network Service Provider should, in the Distribution Network Service Provider's opinion, be classified under this Chapter; and</p> <p>(ii) if the proposed classification differs from the classification suggested in the relevant framework and approach paper – including the reasons for the difference.</p>	<p>Regulatory Proposal (Attachment 0.01) - section 6.2.1 (p.59)</p> <p>Schedule 1 RIN response (Attachment RIN0.09) - section 2</p>
6.8.2 (c)(2)	<p>A regulatory proposal must include, for direct control services classified under the proposal as standard control services – a building block proposal.</p>	<p>Regulatory Proposal (Attachment 0.01) - Chapter 13 (Building Blocks)</p> <p>Expenditure Forecasting Methodology Statement (Attachment 0.07) - p.24</p>
6.8.2 (c)(3)	<p>A regulatory proposal must include, for direct control services classified under the proposal as alternative control services – a demonstration of the application of the control mechanism, as set out in the framework and approach paper, and the necessary supporting information.</p>	<p>Regulatory Proposal (Attachment 0.01) – Chapter 14 (p.198, 206 and 208)</p>
6.8.2 (c)(5)	<p>A regulatory proposal must include, for services classified under the proposal as negotiated distribution services – the proposed negotiating framework.</p>	<p>Regulatory Proposal (Attachment 0.01) - section 6.2.1 (p.60)</p> <p>Negotiating Framework (Attachment 0.13)</p>
6.8.2 (c)(5A)	<p>A regulatory proposal must include the proposed connection policy;</p>	<p>Connection Policy (Attachment 0.09)</p>
6.8.2 (c)(6)	<p>A regulatory proposal must include an identification of any parts of the regulatory proposal the Distribution Network Service Provider claims to be confidential and wants suppressed from publication on that ground in accordance with the Distribution Confidentiality Guidelines.</p>	<p>Confidentiality Claim (Attachment 0.03)</p>
6.8.2 (c)(7)	<p>A regulatory proposal must include a description (with supporting materials) of how the proposed tariff</p>	<p>Tariff Structure Statement Explanatory Statement</p>

	<p>structure statement complies with the pricing principles for direct control services including:</p> <p>(i) a description of where there has been any departure from the pricing principles set out in paragraphs 6.18.5(e) to (g); and</p> <p>(ii) an explanation of how that departure complies with clause 6.18.5(c).</p>	(Attachment TSS0.04) – Chapter 7
6.8.2 (c1)	<p>The regulatory proposal must be accompanied by an overview paper which includes each of the following matters:</p> <p>(1) a summary of the regulatory proposal the purpose of which is to explain the regulatory proposal in reasonably plain language to electricity consumers;</p> <p>(2) a description of how the Distribution Network Service Provider has engaged with electricity consumers and has sought to address any relevant concerns identified as a result of that engagement;</p> <p>(3) a description of the key risks and benefits of the regulatory proposal for electricity consumers; and</p> <p>(4) a comparison of the Distribution Network Service Provider's proposed total revenue requirement with its total revenue requirement for the current regulatory control period and an explanation for any material differences between the two amounts.</p>	<p>(1) Regulatory Proposal Overview (Attachment 0.02)</p> <p>(2)Regulatory Proposal Overview – p.6-14</p> <p>(3) Regulatory Proposal Overview – p.27</p> <p>(4) Regulatory Proposal Overview – p.15-21, 26</p>
6.8.2(c1a)	<p>The overview paper must also include a description of how the Distribution Network Service Provider has engaged with retail customers and retailers in developing the proposed tariff structure statement and has sought to address any relevant concerns identified as a result of that engagement.</p>	Regulatory Proposal Overview (Attachment 0.02) – p.6-14, 22-25
6.8.2(c2)	<p>The regulatory proposal must be accompanied by information required by the Expenditure Forecast Assessment Guidelines as set out in the framework and approach paper.</p>	Regulatory Proposal (Attachment 0.01) Schedule 1 RIN response (Attachment RIN0.09)
6.8.2(d)	<p>The regulatory proposal must comply with the requirements of, and must contain or be accompanied by the information required by any relevant regulatory information instrument.</p>	Reset RIN response (Attachments RIN0.01 – RIN0.05; RIN0.09)
6.8.2(d1)	<p>The proposed tariff structure statement must be accompanied by an indicative pricing schedule.</p>	<p>Regulatory Proposal (Attachment 0.01) - section 13.2.2 (p.189)</p> <p>TSS Explanatory Statement (Attachment TSS0.04) – Appendix 9</p> <p>Reset RIN (Attachment RIN0.01) – Template 7.6: Indicative bill impact</p>

6.8.2(d2)	The proposed tariff structure statement must comply with the pricing principles for direct control services.	TSS Explanatory Statement (Attachment TSS0.04) - Chapter 7
6.18.1A(a)	<p>A tariff structure statement of a Distribution Network Service Provider must include the following elements:</p> <p>(1) the tariff classes into which retail customers for direct control services will be divided during the relevant regulatory control period;</p> <p>(2) the policies and procedures the Distribution Network Service Provider will apply for assigning retail customers to tariffs or reassigning retail customers from one tariff to another (including any applicable restrictions);</p> <p>(3) the structures for each proposed tariff;</p> <p>(4) the charging parameters for each proposed tariff; and</p> <p>(5) a description of the approach that the Distribution Network Service Provider will take in setting each tariff in each pricing proposal of the Distribution Network Service Provider during the relevant regulatory control period in accordance with clause 6.18.5.</p>	<p>(1) TSS Explanatory Statement (Attachment TSS0.04) - section 6.1.1, 6.2 & 6.3; Appendix 2 (Allocation of Customers to Tariff Classes); Appendix 3 (Proposed Tariff Structures - SCS)</p> <p>Regulatory Proposal (Attachment 0.01) - Chapter 13 (Building Blocks) sets out indicative prices (p.163).</p> <p>(2) TSS Explanatory Statement – Chapter 6; Appendix 2 (Allocation of Customers to Tariff Classes)</p> <p>(3) TSS Explanatory Statement - Appendix 3 (Proposed Tariff Structures – SCS); Appendix 4 (Proposed Tariff Structures – ACS)</p> <p>(4) TSS Explanatory Statement - Appendix 3 (Proposed Tariff Structures – SCS); Appendix 2 (Allocation of Customers to Tariff Classes)</p> <p>(5) TSS Explanatory Statement - Chapter 7 (Compliance with Pricing Principles); Appendix 5, 6, 7, 8 and 10.</p>
6.18.1A(b)	A tariff structure statement must comply with the pricing principles for direct control services.	TSS Explanatory Statement (Attachment TSS0.04) - Chapter 7 (Compliance with Pricing Principles)
6.18.1A(c)	A Distribution Network Service Provider must comply with the tariff structure statement approved by the AER and any other applicable requirements in the Rules, when the provider is setting the prices that may be charged for direct control services.	N/A
6.18.1A(d)	<p>Subject to clause 6.18.1B, a tariff structure statement may not be amended during a regulatory control period.</p> <p><i>Note: Rule 6.13 still applies in relation to a tariff structure statement because that rule deals with the revocation and substitution of a distribution determination (which includes a tariff structure</i></p>	N/A

	<i>statement) as opposed to its amendment.</i>	
6.18.1A(e)	A tariff structure statement must be accompanied by an indicative pricing schedule which sets out, for each tariff for each regulatory year of the regulatory control period, the indicative price levels determined in accordance with the tariff structure statement.	TSS Explanatory Statement (Attachment TSS0.04) - Appendix 9 (Indicative Pricing Schedule)
S6.1.1 (1)	<p>A building block proposal must contain a forecast of the required capital expenditure that complies with the requirements of clause 6.5.7 and identifies the forecast capital expenditure by reference to well accepted categories such as:</p> <p>(i) asset class (e.g. distribution lines, substations etc); or</p> <p>(ii) category driver (eg. regulatory obligation or requirement, replacement, reliability, net market benefit, business support etc),</p> <p>and identifies, in respect of proposed material assets:</p> <p>(iii) the location of the proposed asset;</p> <p>(iv) the anticipated or known cost of the proposed asset; and</p> <p>(v) the categories of distribution services which are to be provided by the proposed asset;</p>	<p>Regulatory Proposal (Attachment 0.01) - section 10.5 (p.119-152)</p> <p>Regulatory Proposal - Chapter 10 (Capital Expenditure – general)</p> <p>Expenditure Forecast Methodology Statement (Attachment 0.07) - section 9 (Capital Expenditure)</p> <p>Schedule 1 RIN Response (Attachment RIN0.09) - sections 4.1(a)-(e) and 17</p>
S6.1.1 (2)	A building block proposal must contain the method used for developing the capital expenditure forecast.	<p>Regulatory Proposal (Attachment 0.01) - section 10.3 (p.108-112)</p> <p>Expenditure Forecasting Methodology Statement (Attachment 0.07) - section 10 (Key Expenditure Forecasting Considerations).</p>
S6.1.1 (3)	A building block proposal must contain the forecasts of load growth relied upon to derive the capital expenditure forecasts and the method used for developing those forecasts of load growth.	Regulatory Proposal (Attachment 0.01) - Chapter 7 (Demand, Energy & Customer Forecasts) - particularly section 7.3 (p.69)
S6.1.1 (4)	A building block proposal must contain the key assumptions that underlie the capital expenditure forecast.	Regulatory Proposal (Attachment 0.01) - section 10.3.2 (p.110-112)
S6.1.1 (5)	A building block proposal must contain a certification of the reasonableness of the key assumptions by the directors of the Distribution Network Service Provider.	Board Certified Key Assumptions (Attachment 0.08)
S6.1.1 (6)	A building block proposal must contain capital expenditure for each of the past regulatory years of the previous and current regulatory control period, and the expected capital expenditure for each of the last two regulatory years of the current regulatory	<p>Regulatory Proposal (Attachment 0.01) - section 10.4 (p.113) including footnote</p> <p>Capex for previous, current</p>

	<p>control period, categorised in the same way as for the capital expenditure forecast and separately identifying for each such regulatory year:</p> <p>(i) margins paid or expected to be paid by the Distribution Network Service Provider in circumstances where those margins are referable to arrangements that do not reflect arm's length terms; and</p> <p>(ii) expenditure that should have been treated as operating expenditure in accordance with the policy submitted under paragraph (8) for that regulatory year;</p>	<p>and forecast period (Attachment 10.19)</p>
S6.1.1 (7)	<p>A building block proposal must contain an explanation of any significant variations in the forecast capital expenditure from historical capital expenditure.</p>	<p>Regulatory Proposal (Attachment 0.01) - section 10.4 (p.113-118)</p> <p>Expenditure Forecasting Methodology Statement (Attachment 0.07) - section 10 (Key Expenditure Forecasting Considerations)</p>
S6.1.1 (8)	<p>A building block proposal must contain the policy that the Distribution Network Service Provider applies in capitalising operating expenditure.</p>	<p>Regulatory Proposal (Attachment 0.01) - section 10.5.6 (p.142-147)</p> <p>Cost Allocation Method (Attachment 0.06)</p>
S6.1.2 (1)	<p>A building block proposal must contain a forecast of the required operating expenditure that complies with the requirements of clause 6.5.6 and identifies the forecast operating expenditure by reference to well accepted categories such as:</p> <p>(i) particular programs; or</p> <p>(ii) types of operating expenditure (eg. maintenance, payroll, materials etc),</p> <p>and identifies in respect of each such category:</p> <p>(iii) to what extent that forecast expenditure is on costs that are fixed and to what extent it is on costs that are variable; and</p> <p>(iv) the categories of distribution services to which that forecast expenditure relates;</p>	<p>Regulatory Proposal (Attachment 0.01) - Chapter 11 (Opex)</p> <p>Schedule 1 RIN response (Attachment RIN0.09) - section 10</p>
S6.1.2 (2)	<p>A building block proposal must contain the method used for developing the operating expenditure forecast.</p>	<p>Regulatory Proposal (Attachment 0.01) - section 11.3 (p.160)</p> <p>Expenditure Forecasting Methodology Statement (Attachment 0.07) - section 8</p> <p>Schedule 1 RIN response (Attachment RIN0.09) - section 10</p>

S6.1.2 (3)	A building block proposal must contain the forecasts of key variables relied upon to derive the operating expenditure forecast and the method used for developing those forecasts of key variables.	Regulatory Proposal (Attachment 0.01) - sections 11.5 - 11.7 (p.166-177) Expenditure Forecasting Methodology Statement (Attachment 0.07) - sections 8.3 - 8.9 (Operating Expenditure Forecast drivers and methodology) Schedule 1 RIN response (Attachment RIN0.09) - section 10
S6.1.2 (4)	A building block proposal must contain the method used for determining the cost associated with planned maintenance programs designed to improve the performance of the relevant distribution system for the purposes of any service target performance incentive scheme that is to apply to the Distribution Network Service Provider in respect of the relevant regulatory control period.	Regulatory Proposal (Attachment 0.01) - section 11.5.1 (p.166) – footnote 58.
S6.1.2 (5)	A building block proposal must contain the key assumptions that underlie the operating expenditure forecast.	Regulatory Proposal (Attachment 0.01) - section 11.3.2 (p.161) Expenditure Forecasting Methodology Statement (Attachment 0.07)
S6.1.2 (6)	A building block proposal must contain a certification of the reasonableness of the key assumptions by the directors of the Distribution Network Service Provider.	Board Certified Key Assumptions (Attachment 0.08)
S6.1.2 (7)	A building block proposal must contain operating expenditure for each of the past regulatory years of the previous and current regulatory control period, and the expected operating expenditure for each of the last two regulatory years of the current regulatory control period, categorised in the same way as for the operating expenditure forecast.	Regulatory Proposal (Attachment 0.01) - section 11.4 (p.162) – footnote 53 Opex for previous, current and forecast period (Attachment 11.02)
S6.1.2 (8)	A building block proposal must contain an explanation of any significant variations in the forecast operating expenditure from historical operating expenditure.	Regulatory Proposal (Attachment 0.01) - sections 11.1, 11.5 and 11.6 Schedule 1 RIN response (Attachment RIN0.09) - section 10 (particularly 10.6)
S.6.1.3 (1)	A building block proposal must contain an identification and explanation of any significant interactions between the forecast capital expenditure and forecast operating expenditure programs.	Schedule 1 RIN response (Attachment RIN0.09) - sections 4.1(c) and 10.1 (b)(iii) – refer to factor 7 in the table (p.55)
S.6.1.3 (3)	A building block proposal must contain a description,	Regulatory Proposal

	including relevant explanatory material, of how the Distribution Network Service Provider proposes any efficiency benefit sharing scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.	(Attachment 0.01) - section 9.2 (p.89)
S.6.1.3 (3A)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any capital expenditure sharing scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.	Regulatory Proposal (Attachment 0.01) - section 9.3 (p.91)
S.6.1.3 (4)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any service target performance incentive scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.	Regulatory Proposal (Attachment 0.01) - section 9.4 (p.93)
S.6.1.3 (5)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any demand management and embedded generation connection incentive scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.	Regulatory Proposal (Attachment 0.01) - section 9.5 (p.97)
S.6.1.3 (5A)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any small-scale incentive scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.	N/A
S.6.1.3 (6)	A building block proposal must contain the Distribution Network Service Provider's calculation of revenues or prices for the purposes of the control mechanism proposed by the Distribution Network Service Provider together with: <ul style="list-style-type: none"> (i) details of all amounts, values and inputs (including X factors) relevant to the calculation; (ii) an explanation of the calculation and the amounts, values and inputs involved in the calculation; and (iii) a demonstration that the calculation and the amounts, values and inputs on which it is based comply with relevant requirements of the Law and the Rules. 	Regulatory Proposal (Attachment 0.01) - Chapter 13 PTRM (Attachment 0.04)
S.6.1.3 (7)	A building block proposal must contain the Distribution Network Service Provider's calculation of the regulatory asset base for the relevant distribution	Regulatory Proposal (Attachment 0.01) - Chapter

	<p>system for each regulatory year of the relevant regulatory control period using the roll forward model referred to in clause 6.5.1, together with:</p> <p>(i) details of all amounts, values and other inputs used by the Distribution Network Service Provider for that purpose;</p> <p>(ii) a demonstration that any such amounts, values and other inputs comply with the relevant requirements of Part C of Chapter 6; and</p> <p>(iii) an explanation of the calculation of the regulatory asset base for each regulatory year of the relevant regulatory control period and of the amounts, values and inputs referred to in subparagraph (i).</p>	<p>8</p> <p>PTRM (Attachment 0.04)</p> <p>RFM (Attachment 0.05)</p>
S.6.1.3 (9)	<p>A building block proposal must contain the Distribution Network Service Provider's calculation of the proposed return on equity, return on debt and allowed rate of return, for each regulatory year of the regulatory control period, in accordance with clause 6.5.2, including any departure from the methodologies set out in the Rate of Return Guidelines and the reasons for that departure.</p>	<p>Regulatory Proposal (Attachment 0.01) - sections 12.1 (p.179) and 12.4 (p.183)</p>
S.6.1.3 (9A)	<p>A building block proposal must contain, if the Distribution Network Service Provider proposes that the return on debt for a regulatory year of the regulatory control period is not to be determined using the methodology referred to in clause 6.5.2(i)(2), the formula it proposes should be applied in accordance with clause 6.5.2(l).</p>	<p>Regulatory Proposal (Attachment 0.01) - section 12.3 (p.181)</p>
S.6.1.3 (9B)	<p>A building block proposal must contain the Distribution Network Service Provider's proposed value of imputation credits as referred to in clause 6.5.3.</p>	<p>Regulatory Proposal - section 12.4.4 (p.185)</p>
S.6.1.3 (10)	<p>A building block proposal must contain the post-tax revenue model completed to show its application to the Distribution Network Service Provider and the completed roll-forward model.</p>	<p>Regulatory Proposal (Attachment 0.01) - Chapter 8 (RAB & Depreciation)</p> <p>PTRM (Attachment 0.04)</p> <p>RFM (Attachment 0.05)</p>
S6.1.3 (11)	<p>A building block proposal must contain the Distribution Network Service Provider's estimate of the cost of corporate income tax for each regulatory year of the regulatory control period.</p>	<p>Regulatory Proposal (Attachment 0.01) - 'A snapshot of our plan' (p.6) ; Table 13.1 (p.187)</p>
S.6.1.3 (12)	<p>A building block proposal must contain the depreciation schedules nominated by the Distribution Network Service Provider for the purposes of clause 6.5.5 , which categorise the relevant assets for these purposes by reference to well accepted categories such as:</p> <p>(i) asset class (e.g. distribution lines and substations); or</p> <p>(ii) category driver (e.g. regulatory obligation or</p>	<p>Regulatory Proposal (Attachment 0.01) - section 8.3 (p.84-86)</p> <p>PTRM (Attachment 0.04)</p> <p>RFM (Attachment 0.05)</p> <p>Schedule 1 RIN response (Attachment RIN0.09) - section 25 (Depreciation)</p>

	<p>requirement, replacement, reliability, net market benefit, and business support),</p> <p>together with:</p> <p>(iii) details of all amounts, values and other inputs used by the Distribution Network Service Provider to compile those depreciation schedules;</p> <p>(iv) a demonstration that those depreciation schedules conform with the requirements set out in clause 6.5.5(b) ; and</p> <p>(v) an explanation of the calculation of the amounts, values and inputs referred to in subparagraph (iii);</p>	Schedules)
S.6.1.3 (13)	A building block proposal must contain the commencement and length of the regulatory control period proposed by the Distribution Network Service Provider.	Regulatory Proposal (Attachment 0.01) - section 13.1 (p.187)
S6.1.3 (14)	<p>A building block proposal must contain, if the Distribution Network Service Provider is seeking a determination by the AER that a proposed contingent project is a contingent project for the purposes of the relevant distribution determination:</p> <p>(i) a description of the proposed contingent project, including reasons why the Distribution Network Service Provider considers the project should be accepted as a contingent project for the regulatory control period;</p> <p>(ii) a forecast of the capital expenditure which the Distribution Network Service Provider considers is reasonably required for the purpose of undertaking the proposed contingent project;</p> <p>(iii) the methodology used for developing that forecast and the key assumptions that underlie it;</p> <p>(iv) information that demonstrates that the undertaking of the proposed contingent project is reasonably required in order to achieve one or more of the capital expenditure objectives;</p> <p>(v) information that demonstrates that the proposed contingent capital expenditure for the proposed contingent project complies with the requirements set out in clause 6.6A.1(b)(2); and</p> <p>(vi) the trigger events which are proposed in relation to the proposed contingent project and an explanation of how each of those conditions or events addresses the matters referred to in clause 6.6A.1(c).</p>	<p>(i),(ii) Regulatory Proposal (Attachment 0.01) - section 10.6 (p.153-154)</p> <p>Schedule 1 RIN response (Attachment RIN0.09) - section 20</p> <p>(iii) Western Sydney Airport Growth Area – Business Case (Attachment 10.32).</p> <p>(iv), (v), (vi) Regulatory Proposal - section 10.6 (p.153-154)</p> <p>Schedule 1 RIN response - section 20.1(d), (e) and 20.2.</p>