6 May 2022

Part of the Energy Queensland Group

Dr Kris Funston
Executive General Manager – Networks Regulation
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

By email: networksinformation@aer.gov.au

Dear Dr Funston

AER Network Information Requirements Review

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex), operating as Distribution Network Service Providers in Queensland, welcome the opportunity to provide a submission to the Australian Energy Regulator (AER) on its Network Information Requirements Review Discussion Paper (discussion paper).

We agree it is prudent and necessary to review Network Service Provider information requirements to respond to the significant transformation in the energy sector and for Ergon Energy and Energex to fully prepare for the replacement of Regulatory Information Notices which expire on the 30 June 2024.

Ergon Energy and Energex appreciate the magnitude of a review of this nature and recognise that a multistage consultation approach is being undertaken. Responses to specific questions raised within the discussion paper and feedback on the AER's consultation workbooks is provided in the attached submission. Feedback provided on the data requirements are initial findings, with further comments anticipated at the next stage of consultation after comprehensive review.

If the AER has any questions or requires further information in relation to the attached submission, please contact me or Kylie Douglas on [redacted]

Yours sincerely

[redacted]

Charmain Martin
Acting Manager Regulation
Telephone: [redacted]
Email: [redacted]

Encl: EGN EGX response to AER Networks Information requirements review_6May 2022

Ergon Energy and Energex submission to the Australian Energy Regulator

Network Information Requirements Review Discussion paper

6 May 2022

Part of Energy Queensland

AER Network Information Requirements Review

ABOUT ERGON ENERGY

Ergon Energy Corporation Limited (Ergon Energy) is part of the Energy Queensland Group and manages an electricity distribution network which supplies electricity to more than 740,000 customers. Our vast operating area covers over one million square kilometres – around 97 per cent of the state of Queensland – from the expanding coastal and rural population centres to the remote communities of outback Queensland and the Torres Strait.

Our electricity network consists of approximately 178,000 kilometres of powerlines and 1.7 million power poles. We also own and operate 33 stand-alone power stations that provide supply to isolated communities across Queensland which are not connected to the main electricity grid.

We are actively involved in alternative energy generation solutions and are one of Australia's largest purchasers of renewable energy.

ABOUT ENERGEX

Energex Limited (Energex) is part of the Energy Queensland group and builds, operates and maintains the electricity distribution network in the growing region of South East Queensland which includes the major urban areas of Brisbane, Gold Coast, Sunshine Coast, Logan, Ipswich, Redlands and Moreton Bay.

Our electricity distribution area runs from the NSW border north to Gympie and west to the base of the Great Dividing Range and our world-class energy products, services and expertise has allowed us to provide electricity to homes and business for more than 100 years. Today, we provide distribution services to more than 1.5 million domestic and business connections, delivering electricity to a population base of around 3.5 million people via 55,200km of overhead and underground network.

Ergon Energy Corporation Limited ABN 50 087 646 062 | Energy Queensland Limited ABN 96 612 535 583 | Energex Limited ABN 40 078 849 055

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1 INTRODUCTION

On 23 March 2022, the Australian Energy Regulator (AER) published the Network Information Requirements Review Discussion Paper (discussion paper). The purpose of the discussion paper is to provide an overview of the AER's Network Information Requirements Review objectives and timeline.

The discussion paper covers a range of topics relevant to the AER's review and longer-term network data goals, including:

- development of a new regulatory information instrument;
- data requirements;
- other information requirements;
- quality assurance;
- future information requirements updates; and
- information exchange, including:
  - providing information to the AER; and
  - accessing information from the AER.

The AER has requested interested parties make submissions in response to the discussion paper by Friday, 6 May 2022. Energex's and Ergon Energy's comments on the matters raised in the discussion paper and responses to the AER's specific questions are provided in sections 2 and 3 of this submission.

2 GENERAL COMMENTS

Ergon Energy and Energex welcome the AER's Network Information Requirements Review and are supportive of an approach that is focused on delivering improvements in data quality and reporting efficiencies. We agree that the energy sector is undergoing significant transformation and that a review of the network information currently collected by the AER is prudent to respond to an evolving energy environment. Given the magnitude of a review of this nature and the potential resourcing, operational and financial impacts it could have on network service providers (NSPs), care should be taken to ensure the review is robust, timely and leads to reliable and meaningful data and comparisons.

While Ergon Energy and Energex understand the need for this review to refine current information reporting requirements, we have some concerns with the proposed recommendations, as follows:

- The AER's proposal for the Regulatory Information Order (RIO) to be in place as early as 2022-23 does not provide adequate time for NSPs to respond to new or changed requirements. Long lead times are required for the development of automated reports and to present a controls-based approach for an audit of information systems prior to the end of the financial year in which the NSP is reporting;
- There is the potential for an individual NSP to be regulatory non-compliant if a RIO or interpretations of the requirements under a RIO are unable to be changed, adapted, or responded to quickly outside of public consultation. In this regard, we support prioritisation of the AER's data workshops timetabled for May/June, and to understand interpretational differences between the class of participants. There is scope for the AER to strengthen guidance by providing an Explanatory Statement to reduce ambiguity when requirements are interpreted between a class of NSPs, the AER, and auditors;
- Current Regulatory Information Notices (RINs) expire on 30 June 2024. Therefore, if a new instrument is issued earlier, the RINs will need to be revoked in order to avoid duplicate reporting requirements;
- The frequency of updating a new instrument should be no shorter than five years to provide stability in reporting disclosure equivalent to the length to a regulatory control period;
- Basis of Preparation documents are relevant to the auditors in their review of data sources, understanding methodologies, and assumptions. However, we question the relevance of these documents to the user and/or public and suggest a condensed response format is adopted as best practice or repurposing these documents as internal work instructions;
- Whether the cost of auditing under ASA805 outweighs the benefit. Certain information could be subject to audit under this standard instead of subjecting all financial actual information to such an onerous audit; and

- Sufficient time is required to work through the AER's mapping table received on 2 May 2022 to identify data requirements which have been removed or translated into the consultation workbooks (and the reasons for changes and omissions).

Ergon Energy and Energex support the AER's proposal to remove Schedule 1 non-data elements currently reported in RINs and seek to engage further on new information collection systems and processes, and with other stakeholders during this consultation process. We are particularly interested in hearing views from the wider group of stakeholders and understanding how the information is of importance to energy sector participants and supports the interests of consumers.

3 RESPONSE TO DISCUSSION PAPER QUESTIONS

Do you see any risks or benefits in relying on regulatory information orders, rather than bilaterally negotiated regulatory information notices? Should any regulated networks be excluded from the scope of the proposed information orders? If so, why?

Ergon Energy and Energex support the development of a RIO where it promotes transparency and comparability and will be effective in building greater confidence in users of the information. We also appreciate that a RIO may help with reporting consistency within the regulatory framework in the future. However, while Ergon Energy and Energex are understanding of the AER's position, we consider the benefits the AER seeks can also be realised within the existing framework by identifying and resolving differences in interpretation of definitions and instructions between NSPs.

The AER should also consider the following risks in serving a RIO:

- ***Potential for regulatory non-compliance if a RIO is unable to be changed or adapted quickly outside of public consultation for an individual NSP***

  Although instances giving rise to this risk may be infrequent, these uncommon events usually occur when new requirements are introduced, following organisational restructures, or when system enhancements are made that impact on established reporting processes. In other instances, auditors request further clarification from the AER on interpretational issues in forming an audit opinion. There is potential that NSPs may be unduly penalised if resolution of such requests is untimely.

- ***Inadequate time for NSPs to respond to new or changed requirements***

  Depending on the complexity of changes, 12-18 months could be required prior to submission where the development of automated reports is required. The more granular the reporting requirement (e.g. by feeder), the more complex reporting becomes.

  Long lead times are required for the audit of regulatory information systems, i.e. five months prior to the submission date. The development of reports would need to near completion by April prior to financial year end to allow management enough time to apply internal controls determined necessary to demonstrate the information to be free from material misstatement prior to audit commencement.

Ergon Energy and Energex have made a significant investment in a single Enterprise Resource Planning and Enterprise Asset Management system in SAP. The implementation is still progressing, and to adapt to the stages of this release, reporting solutions are being developed to achieve regulatory compliance. Internally, this workload will be substantial in 2022-23 and would limit our capacity to react quickly to newly issued reporting requirements.

- ***Duplication in reporting requirements***

  Care should be taken to ensure there is no duplication in reporting requirements as a result of serving a RIO. However, we understand it is the AER's intention to revoke existing RINs if a replacement instrument was introduced earlier than RIN expiry on 30 June 2024. We support this approach to remove duplication in reporting requirements.

- ***Potential for interpretational differences between the class of participants***

  The AER has collected information from DNSPs for over a decade and, in some instances, datasets begin as early as 2005-06. The same templates are issued to all DNSPs under the legalities of a Notice. Where a requirement is specific to a DNSP, the AER has applied grey shading to cells to exempt others from nonsensical reporting for other businesses, although it is noted these shaded cells are rare. The AER is already comparing the performance of DNSPs in the National Electricity Market (NEM) in their published performance and benchmarking reports from information collected from RINs.

  It is not clear how a RIO will deliver more comparable information unless interpretations of requirements and definitions are aligned between NSPs. There is scope to strengthen the AER's guidance by issuing an explanatory statement with the new instrument. The AER has provided clarification to Ergon Energy and Energex in the past when ambiguities arise which normally present when instructions and definitions are applied in the context of the DNSP's business peculiarities, in response to audit queries, and in aligning the Queensland DNSPs' approaches. Changes in information providers and source systems also drive differences in interpretations. Therefore, in certain cases, progressing a data review to close the gap on interpretational differences is how comparability in results can be achieved.

  The purpose of providing information needs to be clear. The AER has written high level concepts within consultation workbooks giving a general indication for how the information will be used. Further refinement is required for greater understanding or an explanatory statement should be provided. An example of how this could materially impact outcomes is with the Service Target Incentive Scheme (STPIS). If it is the AER's intention to use data reported in Consultation Workbooks to review the STPIS penalty or reward, the Workbooks are currently deficient to comply with the Scheme.

Is there any new data that the AER should consider including in its data requirements? If so, why is it needed and how should the data be used? Is there any data you consider could be removed from the current data requirements? Are there any other changes you would like to see to our data requirements?

Removal of Data

Ergon Energy and Energex support the omission of average power factor conversion between MVA and MW (current Economic Benchmarking (EB) RIN 3.4 Operational data, Table 3.4.3.5) and Capacity Utilisation (current EB RIN 3.6 Quality of Supply, Table 3.6.4) from the RIO for the following reasons:

- The power factors for individual zone substations and sub-transmission feeders are reported in the Ergon Energy and Energex Distribution Annual Planning Reports (DAPRs);
- Percentage utilisation based on nameplate ratings are also included in the DAPRs in some cases;
- The average power factor for various voltage levels and overall capacity utilisation values, currently reported in the EB RIN, are not utilised for any network planning and/or network investment decision-making purposes by the DNSPs; and
- The reported values are **not utilised** in the AER's Annual Benchmarking Distribution Report.

Ergon Energy and Energex similarly support the removal of the following RIN requirements:

- 2.3.1 Augex data – sub-transmission substations, switching stations and zone substations for reporting large sub-transmission projects; and
- 2.3.3. Augex data - HV/LV feeders and distribution substations [units added and units upgraded] [multiple], units by project type.

Ergon Energy and Energex also support the removal of the following data requirements in Consultation Workbook – Distribution category 03 Network Metrics from future RIN provision:

- Current EB RIN 3.5 Physical Assets Network Capacity - Table 3.5.1.3 Estimated OH network weighted average MVA capacity by voltage;
- Current EB RIN 3.5 Physical Assets Network Capacity - Table 3.5.1.4 Estimated UG network weighted average MVA capacity by voltage;
- The average MVA capacity by voltage class, currently reported in the EB RIN, which is not utilised for any network planning and/or network investment decision-making purposes by the NSPs;
- Network capacity limitations and consequent network security risks on individual assets which are identified based on modelling of the relevant supply network they are part of; and
- Reported values not utilised in the AER's Annual Benchmarking Distribution Report.

Inclusion of Data

Ergon Energy and Energex request that the AER consider adopting the energy regulator for Great Britain's (Ofgem's) approach to developing, in coordination with service providers, a common framework of definitions, principles and calculation methodologies for the assessment, forecasting and regulatory reporting of asset risk. Ofgem's framework is known as the Common Network Asset Indices Methodology (CNAIM).[1]

Improvements

There are areas where Consultation Workbooks could be further refined by automating the aggregation of data to remove duplicated effort. A number of worksheets include an aggregate table above the disaggregated tables. The AER's review and consideration would assist in reducing resource efforts for NSPs in this regard.

Mapping Table

Ergon Energy and Energex acknowledge receipt of the AER's mapping table between existing instruments and the proposed RIO on 2 May 2022. This will assist in verifying it is the AER's intention to omit existing requirements from the proposed RIO. Whilst we are yet to complete a detailed review of this mapping table, it would be beneficial to understand the AER's reasons for the removal of information (e.g. reported elsewhere DAPR, not required, or not a common requirement between class of participants).

What non-data information do you consider should be provided to the AER? Are there any non-data requirements you would support being removed from future reporting processes? Are there any examples of a basis of preparation you consider to be materially better than others?

Ergon Energy and Energex support the reduction of non-data information currently required to be reported each year to ease the reporting burden imposed. More specifically, there are foreseeable benefits in removing the Schedule 1 requirements below from the annual information collation process on the basis that this information is not used in the AER's annual reporting process, nor published:

- Accounting policies;
- Cost allocation methods;
- Explanation of material variation in data reported when compared with forecasts; and
- Explanation of regulatory adjustments.

[1] DNO Common Network Asset Indices Methodology (ofgem.gov.uk)

Whilst the Basis of Preparation documents benefit external auditors in reviewing and auditing reporting compliance with the Notice, we question how this information is of relevance to the AER or other parties when published. Ergon Energy and Energex produce a comprehensive suite of documents with full explanatory information, inclusive of sources, methodologies and assumptions (up to 200 pages per RIN). Historically, in practice when a user of RIN information is reviewing reported results and requires further clarification, their approach is to request that clarification directly from the DNSP. These are bespoke documents demonstrating compliance with requirements verified by auditors. There is an equilibrium between non-data (explanatory information) and data (templates) when the qualitative context leads to its correct interpretation. Ideally, the transparency provided by reporting fit-for-purpose information will avoid having to defend misinterpretations in the community.

There is benefit in understanding who is using the information contained in Basis of Preparation documents. Ergon Energy and Energex support a reduction to its current disclosure if this meets the intended needs of the audience. Ergon Energy and Energex have observed there are varying degrees of detail contained in the suite of DNSP Basis of Preparation documents published on the AER's website. We would welcome best practice examples or, alternatively, for these documents to evolve into work instructions internally for the DNSP for data preparation and audit purposes.

Do you consider the transmission information guideline should be retained in its current form or for any other purpose?

Ergon Energy and Energex have no comment.

Do you have any feedback on the AER's proposal to maintain the current assurance processes?

The current assurance processes for RIN information are represented in the provision of signed Statutory Declarations by an officer of the company in accordance with the *Oaths Act* 1867 (Qld), and Audit and Review reports in accordance with auditing standards ASA 805, ASAE 2405, ASAE 3000 at the conclusion of external audits. In 2020-21 Ergon Energy's and Energex's RIN submissions included the following assurance documents:

- 6 x CEO Statutory Declarations;
- 8 x Queensland Audit Office (QAO) Audit Reports ASA 805;
- 6 x QAO Review Reports ASAE 2405;
- 8 x QAO Limited Assurance Reports ASAE 3000; and
- 6 x WSP - Limited Assurance Reports ASAE 3000.

The internal assurance process applied is robust, with managerial review and signing of assurance certifications by Executive General Managers (EGMs). Management representation letters are signed by the Chief Executive Officer and EGM Finance for external auditors prior to the provision of audit and review reports.

Ergon Energy and Energex incur significant audit costs due to the extensive amount of information subject to audit and specialised expertise needed of the electricity industry, and the Auditing Standard ASA805 that applies over financial information presented as 'actual information'. The quality of information reported has improved since the inception of the RINs, with less information being reported as estimated. Consequently, this proposed shift will increase audit fees as the audit requirements for a review over estimated information are less onerous than an audit over actual information. Ergon Energy and Energex consider there is benefit in assessing how ASA805 imposes extensive effort and cost to audit financial information which occurs when a DNSP presents data as 'actual information' in accordance with this defined term in the RIN. Consideration should be given to removing this dependency and instead the new instrument should stipulate the scope of financial information to be audited in accordance with ASA805. Information which is heavily relied upon for the long-term interests of consumers of electricity (i.e. information used for pricing proposals, revenue cap, incentive schemes, regulated asset base, operating expenditure, etc) could provide a narrower audit scope subject to this onerous audit standard.

It is observed that the administrative burden would be reduced through the sheer reduction in the number of papers requiring signing if the number of instruments issued to a DNSP is reduced. Ergon Energy and Energex support the signing of Statutory Declarations by an officer of the company under current arrangements.

How should the AER deal with changing information requirements? How frequently should the information order (or notices) be updated? How should we get the information we need prior to the requirements being included in an updated information order?

Ergon Energy and Energex consider that reporting instruments should be reviewed regularly by the AER, in conjunction with stakeholders, to respond to reforms, the evolving future of networks, and in response to new technologies in how electricity is generated.

The periodic determination processes the AER fulfils, by assessing how much revenue a prudent network business would need to cover its efficient costs, is typically run every five years. The actual historical costs reported in annual RINs are subsequently reported again in Reset RINs, after adjusting for changes in classification of services and/or cost allocation method applicable in the new regulatory control period. The reporting period of recast data spans 10 years in a Reset RIN, with the investment substantial when material changes occur.

While the EB and Category Analysis RINs were issued to Ergon Energy and Energex in 2013 and 2014 respectively, the static reporting requirements helped to create a stable basis where data could be recast over two determination periods (i.e. 2015-20 and 2020-25). To initiate a more frequent review period introduces instability and further complexity when recasting a 10-year data set to present information on a consistent basis.

To increase the frequency of review, the perceived benefits of introducing new reporting requirements from that review should be assessed pragmatically. In this regard, the AER should serve an instrument only when it is considered necessary for the performance and exercise of its functions or powers under the National Electricity Law or National Electricity Rules.

If a RIO is served the effective date for reporting applies to a class of participants, with Ergon Energy and Energex belonging to the class of DNSP. Currently, DNSPs under the regulation of the AER operate across three different regulatory control periods 2019-24 (NSW, ACT, NT, Tas), 2020-25 (QLD, SA), and 2021-26 (VIC). If the AER introduces the proposed four-year review cycle concurrently alongside a five-year regulatory control period, a DNSP may be unduly disadvantaged if within period changes give rise to significant unforeseen costs without avenue for reimbursement.

While there is no perfect solution to determining a reasonable RIO reporting period that is fair to the class of DNSPs with differing regulatory control periods, Ergon Energy and Energex would advocate for the frequency of review to be no less than every five years.

Ergon Energy and Energex support the current approach of collecting information prior to expiry of an instrument by information requests using the AER's information gathering powers. More recent examples include profitability information and export service metrics. This approach allows for reporting approaches to be further refined annually prior to entering legal instruments which apply statutory penalties for failing to comply or providing information which is false or misleading in a material particular.

What tools will best meet the needs of networks submitting information to the AER? What constraints should we be aware of in designing new information collection systems and process?

Energy Queensland has a pre-existing contract with Rosetta Analytics for the collation of annual RIN information in two Rosetta RIN Portals for Ergon Energy and Energex. The portals have become an integral part of the annual RIN cycle and will be utilised at the next reset. Analytics are embedded in Power BI and a DataMart holds historical RIN submitted information in data tables which are free from macros for ease of export and further analysis. The functionality supports strong governance and internal controls over the accuracy of information reported. It is easily accessible to external auditors given it is hosted using a cloud-based service.

Currently, our RIN data is exported from the Rosetta Portals to AER approved templates which are saved by Ergon Energy and Energex as Excel files and submitted to the AER via the ACCC Portal delivery method. However, there are other options to lodge more efficiently by using Application Programme Interfaces (API) functionality, i.e.:

- *Programmatic API access to the ACCC Portal:* Excel Workbooks could be submitted in an automated manner directly from the Rosetta RIN Portal to the AER; or

- *Programmatic API access to the AER database:* Data could be transferred directly, electronically populating an AER receiving database. This has potential for meta-data to be submitted also and allows the AER to cross-validate data instantly.

Data interoperability would require tripartite participation of three parties (Rosetta Analytics, Energy Queensland on behalf of Ergon Energy and Energex and the AER) for RIN information to be shared and ported between different systems and organisations to ensure ease of use of data between systems.

The use of macro-enabled documents and internet macros should be limited to uphold security controls.

The AER's standard data structure in the proposed RIO would enable a smoother transition pathway to develop solutions for data integration. It is prudent to store data at the most granular level to preserve the opportunity to use the information for wider purposes. Additional initial setup costs to establish and develop new interfaces for data to be shared and linked would need to be considered for the benefits to outweigh the costs.

With the AER proposing to group information into data categories, there is a risk the understanding of how the data will be used is lost, and ways data will be presented when decisions are based on it. It will be important to obtain that clarity and discuss further during the data requirement workshops noted in the consultation timetable commencing in May 2022.

How would you like to access the AER's data relating to regulated networks? Are there other agencies that are good at sharing data and information?

Ergon Energy and Energex currently view AER published data for RINs on the AER's website yet access the published data of all DNSPs in the NEM via the Rosetta RIN Portal's analytics embedded in Power BI and the DataMart. The Rosetta Data Mart presents information in an easily structured manner, and it can be integrated with existing Business Intelligence (BI) tools or downloaded to CSV or Microsoft Excel format. The analytics provide valuable insight into the performance of DNSPs at the lowest level of data granularity reported to the AER.

The timeliness of this view is dependent on AER published RIN information accessibility. To interface lodgements could allow for quicker access to information by interested parties following RIN lodgement.

4 FEEDBACK ON AER CONSULTATION WORKBOOKS

Consultation workbooks	Ergon Energy and Energex response
1.Reference data Information about the regulated network to which the data relates. Reference data does not change very often and does not need to be collected as part of the annual process. • Business name / ABN • Address • Sector • Segment • Jurisdiction	No comment.
2. Operational outputs Information about the volume of services delivered by the network. • Energy delivered • Demand • Connections	**Connections, New connections - Excluding standard control services:** The mapping to the CA RIN appears to be incorrect. This requirement was not previously included in the CA RIN. It appears to be a hybrid between AR RIN 2.5.2 and CA RIN 2.5.2.

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	Other outputs, Public lighting activities: The units have changed. Where previously we reported volumes of items like "Major road light installation" now the unit of measure is "Number of activities undertaken". The definition in this workbook does not provide sufficient guidance on the definition of what is required to be reported in line with this change. Further, the definitions appear to reference costs as a unit measure which is not relevant to this non-financial template. **Proposed new data collections, Safety related activity:** The definition provided refers to the term 'Safety related incident' which could be interpreted very differently to 'Safety related activity'. More clarity on the exact data requirements is needed given that this is a new requirement. Are responsive activities those in relation to an actual incident that has occurred?
3. Network metrics Information about the network and the environment in which it is located. • Asset volumes, age, capacity • Environment factors	**Network Assets Volume, Asset age profile** **Age, Asset Age** **Length** **Capacity** Ergon Energy and Energex are aware the purpose of RIN Templates 2.2 Repex and 5.2 Asset Age Profile is to build the REPEX model. To build the model correctly, the assets are grouped by three characteristics: 1. Function 2. Asset expected life 3. Cost

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	Where the RIN requirements have been upheld in the AER's proposed RIO, the AER prescribed categories could better reflect network characteristics when measuring information by cost or expected life. Below are proposed changes to categories: 1. Adding low cost SWER construction and Non SWER system construction (cost) 2. Grouping 11kV and 22 kV system (similar cost and expected life) 3. Adding 11kV and 22kV power regulator (cost) 4. Adding different type of switchgear (cost and expected life) 5. Splitting field devices into protection relays, RTUs and local master stations (cost and expected life)
4. Customer numbers Information about the network's customer base. • Customers by location, tariff class, meter type	**Customers by feeder** The definition for 'Distribution Customer' in Consultation Workbooks is as follows: – A connection point between a distribution network and Customer that has been assigned a NMI, including energised and de-energised connection points but excluding unmetered connection points without a NMI. **Table: Customers by feeder**, requires to be populated with Active Accounts Customers with Active NMIs for Metered and Unmetered customers. It is unclear if the customer numbers are to be reported as at the end of the financial year (30 June 2022).

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If this Data Worksheet is to be used as the underlying data for incentive scheme impacts (STPIS), some changes are required to adhere with the Scheme, including:

- STPIS uses an average customer count, as such it is recommend the template allow for the reporting of customer numbers at the start of the financial year also;
- A specific definition for Customer – Network Performance as previously defined in the Annual Reporting RIN for reporting in T6.2.4 which:

  - Excludes Unmetered Customers; and

  - De-Energised (Disconnected) Customers. (De-Energised (Disconnected) Customer is a customer that has been disconnected from the DNSP's distribution supply network. Therefore, since the DNSP is no longer supplying power to the premise, the customer cannot be counted or experience any interruption in power supply.
- The STPIS Scheme - APPENDIX A, Table A1: Reliability component, reporting of customer requires:
  - Unmetered street lighting supplies are excluded. Other unmetered supplies should be excluded from the calculation of reliability measures, except where a DNSP is unable to identify the unmetered supplies from its historical performance data; and
  - Inactive accounts are excluded.

It is noted that under current reporting arrangements there are two definitions for 'customer' to account for STPIS requirements.

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5. Service performance Information about how well the network delivers its services to consumers. • Interruptions • Customer service • Guaranteed service-level breaches	**SMS notification, SMS Notifications for Unplanned Outages:** We have not previously reported this information. Will there be the opportunity to report "-" or "0".? The AER's preference for how to report where data is not available/applicable will need to be defined. **Other service measures, Number of Inadequately Served Customers** – There are currently only 4 rows to report 5 feeder results. Another line is required to be added within each table. – Inadequately served customers has the meaning prescribed in the AER's Distribution Reliability Measures Guideline. It states where data is unavailable at feeder or feeder-section level, the DNSP may report on zone substation level. NSPs are not required to report at zone substation level if feeder level is reported. This will need to be reflected to ensure DNSPs are not unduly penalised for leaving cells blank. **INTERRUPTIONS:** **Interruptions to Supply** The Consultation Workbook 'Interruption" definition does not align with the AER STPIS definition. Important Note: Is defined in the Distribution Reliability Measures Guideline where an outage Incident event excludes De-Energised (Disconnected) Customers and therefore is also excluded from Reliability Performance reporting.

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	De-Energised (Disconnected) Customers are also excluded from "Distribution Customer" definition and Reliability Performance reporting. (De-Energised (Disconnected) Customer is a customer that has been disconnected from the DNSP's distribution electricity supply network. Therefore, since the DNSP is no longer supplying power to the premise, the customer cannot be counted or experience any interruption in power supply.) Distribution Reliability Measures Guideline: – Interruption: "excluding disconnections caused by a retailer or a fault in electrical equipment owned by a Customer" **Reason for interruption** There are exclusions missing. The following selections need to be added: – "8 - STPIS exclusion 3.3(a)" – "Excl Customer Installation Fault or Request". **Duration of interruption** The new field proposed "Duration of interruption" will not provide usable data. This proposed "Duration of interruption" field does not accommodate for outages that have staged restorations for customers. The data cannot be summated to be used for any recalculations (e.g. the "Duration of interruption" is unable to be used to recreate Customer Minutes).

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	However, using previous calculated field "Average duration of sustained customer interruption" that is currently used in the RIN 2019 CA RIN 6.3, will enable this report to recalculate the customer minutes. **Average duration of sustained customer interruption** A field needs to be added for the average duration of sustained customer interruption to recalculate customer minutes. **Customer Base** Request the inclusion of this term – 'Has the meaning prescribed in the AER's Distribution Reliability Measures Guideline.' As previously defined in AR RIN Template 6.2.4 - Excludes Unmetered Customers - De-Energised (Disconnected) Customers (De-Energised (Disconnected) Customer is a customer that has been disconnected from the DNSP's distribution electricity supply network. Therefore, since the DNSP is no longer supplying power to the premise, the customer cannot be counted or experience any Interruption in power supply.)\

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6. Operating expenditure Information about expenditure used to operate or maintain the network. • Opex modelling • Opex by category	**New data collections Total opex – 2014 CAM basis** This is an additional requirement that has previously been provided without audit or assurance. As this information is inherently estimated, we request that it is exempt from audit. **New data collections Total opex - 2014 CAM basis** Ergon Energy and Energex propose a different basis for collation. For example, could NSPs recast information per their current CAM which would then mean that future recasts would only be required where an NSP changes their current CAM approach? This could limit ongoing impacts to NSPs and also reduce audit costs as information previously reported would not require reaudit.
7. Capital expenditure Information about expenditure used to build or expand the network. Capex by asset class Capex by purpose	**Capex by Purpose** Mapping appears to be incorrect. Should be AR 8.2.1 not CA 8.2.1. **Staking wooden poles by: highest operating voltage** Mapping appears to be incorrect. Should be AR 2.2.1 not CA 2.2.1. **Staked pole replaced with new pole by: highest operating voltage** Mapping appears to be incorrect. Should be AR 2.2.1 not CA 2.2.1.

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	SCS Ergon Energy and Energex are aware the purpose of RIN Templates 2.2 Repex and 5.2 Asset Age Profile is to build the REPEX model. To build the model correctly, the assets are grouped by the three characteristics: 1. Function 2. Asset expected life 3. Cost Where the RIN requirements have been upheld in the AER's proposed RIO, the AER prescribed categories could better reflect network characteristics when measuring information by cost or expected life. Refer below for proposed changes to categories: 1. Adding low cost SWER construction and Non SWER system construction (cost) 2. Grouping 11kV and 22 kV system (similar cost and expected life) 3. Adding 11kV and 22kV power regulator (cost) 4. Adding different type of switchgear (cost and expected life) 5. Splitting field devices into protection relays, RTUs and local master stations (cost and expected life) Revised tables updated for proposed categories can be provided to the AER on request.
8. Asset base values Information about the value of the assets of the network. Regulatory asset base Tax asset base	Ergon Energy and Energex reserve comment until further review is performed.

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9. Revenue and financial statements Information about revenues, financial transactions and balances. Earnings Expenditures Profitability Tax	Ergon Energy and Energex reserve comment until further review is performed.
10. Prices Information about the prices charged or paid by networks. Tariffs Input prices Unit costs	Ergon Energy and Energex reserve comment until further review is performed.