

Essential Energy

1.01 Compliance checklist to the National Electricity Rules

January 2023



Table of Contents

Purpose and context	3
Reference table	3
List of Tables	
Table 1: Reference table for Rules Compliance	3

Purpose and context

Our 2024–29 Regulatory Proposal (Proposal) comprises a suite of documents that provides information required under the National Electricity Rules (NER). This includes:

- > A customer overview of the Regulatory Proposal (Proposal) and associated Tariff Structure Statement (TSS) documents in plain English.
- > A Proposal document which sets out information required under the NER
- > A TSS which sets out information required under the NER
- > Supporting attachments to substantiate our Proposal and TSS
- > 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.

Reference table

The reference table below identifies each provision of the NER that imposes an obligation on Essential Energy to provide information or address a matter in our regulatory proposal. We identify the obligation, and provide a reference to where Essential 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 1: Reference table for Rules Compliance

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
5A.E.1	The connection policy prepared must comply with the connection charge principles	Attachment 10.04 – Connection Policy
6.3.1(c)(1)	The building block proposal must be prepared in accordance with the post-tax revenue model and other relevant requirements of this Part.	Chapter 5 – Our revenue requirement Attachments 5.01 to 5.09
6.3.1(c)(2)	The building block proposal must comply with the requirements of, and must contain or be accompanied by the information required by, any relevant regulatory information instrument.	Response to RIN RIN workbooks
6.3.1(c)(3)	The building block proposal must be prepared in accordance with Schedule 6.1.	Please refer to responses below to address schedule 6.1
6.4B.2(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)	No asset exemption for restricted assets relied upon
6.5.1(a)	The regulatory asset base for a distribution system owned, controlled or operated by a Distribution Network Service Provider is the value of those assets that are used by the Distribution Network Service Provider to provide standard control services, but only to the extent that they are used to provide such services.	Chapter 5 – Our revenue requirement

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.5.2	The return on capital for a Distribution Network Service Provider for a regulatory year is to be calculated using the NER specified formula.	Attachment 5.01 – Our revenue requirement components Attachment 5.04 – Standard control post-tax revenue model (PTRM)
6.5.3	The estimated cost of corporate income tax of a Distribution Network Service Provider for each regulatory year must be estimated in accordance with the NER specified formula.	Attachment 5.01 – Our revenue requirement components Attachment 5.04 – Standard control post-tax revenue model (PTRM)
6.5.5(a)	The depreciation for each regulatory year must be calculated as specified in the NER.	Attachment 5.01 – Our revenue requirement components Attachment 5.04 – Standard control post-tax revenue model (PTRM)
6.5.5(b)	The depreciation schedules referred to in paragraph (a) must conform to the specified requirements in the NER.	Attachment 5.01 – Our revenue requirement components Attachment 5.04 – Standard control post-tax revenue model (PTRM)
6.5.6(a)	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 operating expenditure objectives.	Chapter 9 – Operating expenditure Attachment 5.01 – Our revenue requirement components Attachment 9.03 – Opex approach
6.5.6(b)(1)	The forecast of required operating expenditure of a Distribution Network Service Provider that is included in a building block proposal must comply with the requirements of any relevant regulatory information instrument.	Attachment 5.01 – Our revenue requirement components Response to RIN RIN workbooks
6.5.6(b)(2)	The forecast of required operating expenditure of a Distribution Network Service Provider that is included in a building block proposal must 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.	Chapter 9 – Operating expenditure Attachment 5.04 – Standard control post-tax revenue model (PTRM) Attachment 9.01 – Cost Allocation Methodology Supporting document 13.01.02 – Standardised Ancillary Network Services Model Supporting document 13.02.02 – Standardised Metering Capex and Opex Model Supporting document 13.03.02 – Public lighting model Response to RIN RIN workbooks

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.5.6(b)(3)	<p>The forecast of required operating expenditure of a Distribution Network Service Provider that is included in a building block proposal must 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>Chapter 2 – Executive summary</p> <p>Chapter 5 – Our revenue requirement</p> <p>Chapter 9 – Operating expenditure</p> <p>Attachment 5.01 – Our revenue requirement components</p>
6.5.6(e)	<p>The operating expenditure should address the operating expenditure factors</p>	<p>Attachment 5.01 – Our revenue requirement components</p> <p>Attachment 5.08 – EBSS and CESS approach</p> <p>Chapter 9 – Operating expenditure</p> <p>Attachment 9.03 – Opex approach</p> <p>Attachment 9.04 – Labour escalator forecasts</p> <p>Attachment 9.05 – Materials and land escalator forecasts</p> <p>Chapter 10 – Capital expenditure</p> <p>Appendix A – Summary of engagement outcomes</p>
6.5.7(a)	<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 order to achieve each of the capital expenditure objectives.</p>	<p>Chapter 2 – Executive summary</p> <p>Chapter 5 – Our revenue requirement</p> <p>Chapter 6 – Risk appetite, reliability and resilience</p> <p>Chapter 7 – A network fit for the future</p> <p>Chapter 10 – Capital expenditure</p> <p>Attachments 10.01 to 10.09 for strategic business plans and overviews</p>
6.5.7(b)(1)	<p>The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must comply with the requirements of any relevant regulatory information instrument.</p>	<p>Attachment 5.01 – Our revenue requirement components</p> <p>Response to RIN</p> <p>RIN workbooks</p>

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.5.7(b)(2)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must 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.	Chapter 10 – Capital expenditure Attachment 5.04 – Standard control post-tax revenue model (PTRM) Attachment 9.01 – Cost Allocation Methodology Supporting document 13.01.02 – Standardised Ancillary Network Services Model Supporting document 13.02.02 – Standardised Metering Capex and Opex Model Supporting document 13.03.02 – Public lighting model Response to RIN RIN workbooks
6.5.7(b)(3)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must include both: (i) the total of the forecast capital expenditure for the relevant regulatory control period; and (ii) the forecast capital expenditure for each regulatory year of the relevant regulatory control period; and	Chapter 2 – Executive summary Chapter 5 – Our revenue requirement Chapter 10 – Capital expenditure Attachment 5.01 – Our revenue requirement components
6.5.7(b)(4)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must 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).	Chapter 10 – Capital expenditure
6.5.7(b)(5)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must not include expenditure for a restricted asset, unless an exemption is proposed or has been granted by the AER.	Chapter 10 – Capital expenditure
6.5.7 (e)	The capital expenditure should address the capital expenditure factors	Chapter 3 Attachment 5.01 – Our revenue requirement components Attachment 5.08 – EBSS and CESS approach Chapter 9 – Operating expenditure Attachment 9.03 – Opex approach Attachment 9.04 – Labour escalator forecasts Attachment 9.05 – Materials and land escalator forecasts Chapter 10 – Capital expenditure Appendix A – Summary of engagement outcomes Response to RIN

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.5.10	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.	Chapter 8 – Framework and approach Attachment 8.07 – Pass through event proposal
6.6A.1 (a)	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.	No contingent expenditure proposed
6.6A.1 (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.	No contingent expenditure proposed
6.7A	Preparation of a connection policy for the regulatory proposal	Chapter 10 – Capital expenditure Attachment 10.04 – Connection Policy
6.7.5	Preparation of a negotiation framework for the regulatory proposal	Chapter 8 – Framework and approach Attachment 8.06 – Negotiating framework
6.8.1A	Notification of approach to forecasting expenditure	Submitted 30 June 2022
6.8.2 (a), (a1), (b)	A Distribution Network Service Provider must submit to the AER a regulatory proposal, 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 and an exemption application if applicable.	No asset exemptions relied upon Regulatory proposal Attachment 12.01 - Tariff Structure Statement
6.8.2 (c)(1)	A regulatory proposal must include a classification proposal.	Chapter 8 Framework and approach Attachment 8.01 – Classification of Services
6.8.2 (c)(2)	A regulatory proposal must include, for direct control services classified under the proposal as standard control services – a building block proposal.	Chapter 5 – Our revenue requirement Chapter 8 Framework and approach Chapter 9 – Operating expenditure Chapter 10 – Capital expenditure Attachment 5.01 – Our revenue requirement components
6.8.2 (c)(3)	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.	Chapter 8 Framework and approach Attachment 8.02 – Revenue control mechanisms

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.8.2 (c)(5)	A regulatory proposal must include, for services classified under the proposal as negotiated distribution services, a proposed negotiating framework.	Chapter 8 Framework and approach Attachment 8.06 – Negotiating framework
6.8.2 (c)(5A)	A regulatory proposal must include the proposed connection policy.	Chapter 10 – Capital expenditure Attachment 10.04 – Connection Policy
6.8.2 (c)(6)	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.	Supporting document 1.03.01 – Confidentiality claims
6.8.2 (c) (7)	A regulatory proposal must include a description of how the proposed tariff structure statement complies with the pricing principles for direct control services.	Attachment 12.01 Tariff Structure Statement
6.8.2 (c1)	The regulatory proposal must be accompanied by an overview paper in reasonably plain language which includes each of the following matters: (1) a plain language summary (2) a description of how we engaged with customers and other stakeholders and sought to address concerns (3) a summary of how we identified and provided for demand from distributed energy resources (DER) and consumer energy resources (CER) (4) a summary of other approaches considered to address that demand (5) a description of the key risks and benefits for customers (6) a comparison of our current and proposed revenues (7) a comparison of our current and proposed capital expenditure to provide for DER and CER.	Customer Overview
6.8.2 (c2)	The regulatory proposal must be accompanied by information required by the Expenditure Forecast Assessment Guidelines as set out in the framework and approach paper.	Response to RIN RIN workbooks
6.8.2 (d)	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.	Response to RIN RIN workbooks
6.8.2 (d1)	The proposed tariff structure statement must be accompanied by an indicative pricing schedule.	Attachment 12.03 - Network Use of System (NUoS) pricing schedule Attachment 12.04 - Public Lighting (SLUoS) pricing schedule Attachment 12.05 - Type 5 & 6 Metering Services pricing schedule Attachment 12.06 - Ancillary Network Services pricing schedule
6.15.1	A Distribution Network Service Provider must comply with the Cost Allocation Method that has been approved in respect of that provider from time to time by the AER under this rule 6.15.	Attachment 9.01 – Cost Allocation Methodology
6.15.2	The Cost Allocation Method used must comply with the Cost Allocation Principles	Attachment 9.01 – Cost Allocation Methodology

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.18.1A (a)(1)	A tariff structure statement of a Distribution Network Service Provider must include the tariff classes into which retail customers for direct control services will be divided during the relevant regulatory control period.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> • Chapters 2 and 4 • Appendix A • Appendix B
6.18.1A (a)(2)	A tariff structure statement of a Distribution Network Service Provider must include 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).	Chapter 12 – Our approach to pricing Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> • Chapter 5 • Appendix B
6.18.1A (a)(2A)	A tariff structure statement must include a description of the strategy or strategies the Distribution Network Service Provider has adopted, taking into account the pricing principle in clause 6.18.5(h), for the introduction of export tariffs including where relevant the period of transition.	Chapter 12 - Our approach to pricing Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> • Chapter 6
6.18.1A (a)(3)	A tariff structure statement of a Distribution Network Service Provider must include the structures for each proposed tariff.	Chapter 12 - Our approach to pricing Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> • Chapter 4
6.18.1A (a)(4)	A tariff structure statement of a Distribution Network Service Provider must include the charging parameters for each proposed tariff.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> • Chapter 4
6.18.1A (a)(5)	A tariff structure statement of a Distribution Network Service Provider must include 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.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> • Chapter 3
6.18.1A (b)	A tariff structure statement must comply with the pricing principles for direct control services.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> • Chapter 3
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.	Attachment 12.03 - Network Use of System (NUoS) pricing schedule Attachment 12.04 - Public Lighting (SLUoS) pricing schedule Attachment 12.05 - Type 5 & 6 Metering Services pricing schedule Attachment 12.06 - Ancillary Network Services pricing schedule
6.18.5(b)	Subject to paragraph (c), a Distribution Network Service Provider's tariffs must comply with the pricing principles set out in paragraphs (e) to (j).	Refer 6.18.5(e) to 6.18.5(j)

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.18.5(c)	Tariffs may vary from tariffs which comply with pricing principles set out in paragraphs (e) to (g) only: (1) to the extent permitted under paragraph (h); and (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) to (j).	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3
6.18.5(d)	A Distribution Network Service Provider must comply with pricing principles in a manner that will contribute to the achievement of the network pricing objective.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Attachment 12.02 – Tariff Structure Explanatory Statement
6.18.5(e)	For each tariff class, the revenue expected to be recovered must lie on or between: (1) an upper bound representing the standalone cost of serving the retail customers who belong to that class; and (2) a lower bound representing the avoidable cost of not serving those retail customers.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Attachment 12.02 – Tariff Structure Explanatory Statement
6.18.5(f)	Each tariff must be based on the long run marginal cost (LRMC) of providing the service.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Attachment 12.02 – Tariff Structure Explanatory Statement
6.18.5(g)	The revenue expected to be recovered from each tariff must reflect the total efficient costs of serving the retail customers, permit recovery of the expected revenue for the relevant services and minimise distortions to the price signals for efficient usage.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Attachment 12.02 – Tariff Structure Explanatory Statement
6.18.5(h)	Consideration must be given to the impact on retail customers of changes in tariffs from the previous regulatory year.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Chapter 6 Appendix A Attachment 12.02 – Tariff Structure Explanatory Statement
6.18.5(i)	Tariff structures must be reasonably capable of being understood by retail customers or being directly or indirectly incorporated by retailers or Market Small Generation Aggregators in contract terms.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Chapter 4 Attachment 12.02 – Tariff Structure Explanatory Statement
6.18.5(i)	A tariff must comply with the Rules and all applicable regulatory instruments.	Attachment 12.01 – Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3
6.18.6(b)	The expected weighted average revenue to be raised from a tariff class for a particular regulatory year must not exceed the corresponding expected weighted average revenue for the preceding regulatory year by more than the permissible percentage.	Attachment 8.02 – Revenue control mechanisms

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
6.18.7(a)	A pricing proposal must provide for tariffs designed to pass on to retail customers the designated pricing proposal charges to be incurred by the Distribution Network Service Provider.	Attachment 8.02 – Revenue control mechanisms
6.18.7(b)	The amount to be passed on to retail customers for a particular regulatory year must not exceed the estimated amount of the designated pricing proposal charges adjusted for over or under recovery in accordance with paragraph (c).	Attachment 8.02 – Revenue control mechanisms
6.18.7(c)	The over and under recovery amount must be calculated in a way that: (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the AER in the relevant distribution determination; (2) ensures we can recover from retail customers pricing proposal charges we incur; and (3) adjusts for an appropriate cost of capital.	Attachment 8.02 – Revenue control mechanisms
6.18.7A(a)	A pricing proposal must provide for tariffs designed to pass on to retail customers the designated pricing proposal charges to be incurred by the Distribution Network Service Provider.	Attachment 8.02 – Revenue control mechanisms
6.18.7A(b)	The amount to be passed on to customers for a particular regulatory year must not exceed the estimated amount of jurisdictional scheme amounts for a Distribution Network Service Provider's approved jurisdictional schemes adjusted for over or under recovery in accordance with paragraph (c).	Attachment 8.02 – Revenue control mechanisms
6.18.7A(c)	The over and under recovery amount must be calculated in a way that: (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the AER for jurisdictional scheme amounts; (2) ensures that we can recover the jurisdictional scheme amounts we incur; and (3) adjusts for costs of capital.	Attachment 8.02 – Revenue control mechanisms
S6.1.1 (1)(i)- (ii)	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.	Chapter 5 – Our revenue requirement Chapter 10 – Capital expenditure Attachments 10.01 to 10.09 for strategic business plans and overviews
S6.1.1 (1)(iii) - (v)	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 and identifies, in respect of proposed material assets: (iii) the location of the proposed asset; (iv) the anticipated or known cost of the proposed asset; and (v) the categories of distribution services which are to be provided by the proposed asset.	Chapter 10 – Capital expenditure Attachment 15.09 – Document list references our investment cases
S6.1.1 (2)	A building block proposal must contain the method used for developing the capital expenditure forecast.	Chapter 10 – Capital expenditure – this also links to our published Expenditure Forecasting Methodology

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
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.	Chapter 11 – Energy and demand forecasts Attachment 11.01 – Customer number, energy consumption and demand forecasts
S6.1.1 (4)	A building block proposal must contain the key assumptions that underlie the capital expenditure forecast.	Attachment 9.02 – Key assumptions
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.	Attachment 9.02 – Key assumptions
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 control period, categorised in the same way as for the capital expenditure forecast and separately identifying for each such regulatory year: (i) margins paid or expected to be paid for arrangements that do not reflect arm's length terms; and (ii) expenditure that should have been treated as operating expenditure in accordance with the policy submitted under paragraph (8) for that regulatory year.	Chapter 5 – Our revenue requirement Attachment 5.01 – Our revenue requirement components Chapter 10 – Capital expenditure No arrangements not done at arm's length RIN response RIN workbooks All capex treated in accordance with our Asset capitalisation policy (Supporting document 10.01.06), except for 'cloud computing' as per discussion with AER – some relevant expenditure will remain as capex for 2019–24 only, due to a mid-regulatory period accounting interpretation change. Refer to Attachment 9.03 – Opex approach
S6.1.1 (7)	A building block proposal must contain an explanation of any significant variations in the forecast capital expenditure from historical capital expenditure.	Chapter 2 – Executive summary Attachment 5.06 – CESS model Attachment 5.08 – EBSS and CESS approach Chapter 10 – Capital expenditure
S6.1.1 (8)	A building block proposal must contain the policy that the Distribution Network Service Provider applies in capitalising operating expenditure.	Supporting document 10.01.06 – Asset capitalisation policy
S6.1.2 (1)(i)-(ii)	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.	Chapter 9 – Operating expenditure
S6.1.2 (1)(iii)-(iv)	A building block proposal must identify in respect of each such category: (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 (iv) the categories of distribution services to which that forecast expenditure relates.	Chapter 9 – Operating expenditure Attachment 9.03 – Opex approach

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
S6.1.2 (2)	A building block proposal must contain the method used for developing the operating expenditure forecast.	Chapter 9 – Operating expenditure Attachment 9.03 – Opex approach Chapter 10 – Capital expenditure – this also links to our published Expenditure Forecasting Methodology
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.	Chapter 9 – Operating expenditure Attachment 9.03 – Opex approach Supporting document 9.03.07 – Opex model
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.	N/A for opex Attachment 8.04 – Service Target Performance Incentive Scheme (STPIS) approach
S6.1.2 (5)	A building block proposal must contain the key assumptions that underlie the operating expenditure forecast.	Chapter 9 – Operating expenditure Attachment 9.02 – Key assumptions
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.	Attachment 9.02 – Key assumptions
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.	Chapter 9 – Operating expenditure
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.	Chapter 2 – Executive summary Attachment 5.05 – EBSS model Attachment 5.08 – EBSS and CESS approach Chapter 9 – Operating expenditure
S6.1.3 (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.	Chapter 6 – Risk appetite, reliability and resilience Chapter 7 – A network fit for the future Chapter 9 – Operating expenditure Attachment 9.01 – Cost Allocation Methodology Attachment 9.03 – Opex approach Chapter 10 – Capital expenditure

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
S6.1.3 (3)	A building block proposal must contain a description, 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 5.01 – Our revenue requirement components Chapter 8 – Framework and approach Attachment 5.05 – EBSS model Attachment 5.08 – EBSS and CESS approach
S6.1.3 (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.	Attachment 5.01 – Our revenue requirement components Attachment 5.06 – CESS model Attachment 5.08 – EBSS and CESS approach Chapter 8 – Framework and approach
S6.1.3 (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.	Chapter 8 – Framework and approach Attachment 8.04 - Service Target Performance Incentive Scheme (STPIS) approach
S6.1.3 (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.	Attachment 5.01 – Our revenue requirement components Chapter 8 – Framework and approach Supporting document 10.01.02 - Demand management plan
S6.1.3 (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.	Chapter 8 – Framework and approach Attachment 8.03 – Customer Service Incentive Scheme Attachment 8.04 - Service Target Performance Incentive Scheme (STPIS) approach
S6.1.3 (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: (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.	Chapter 5 – Our revenue requirement Attachments 5.01 to 5.09

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
S6.1.3 (7)	<p>A building block proposal must contain the Distribution Network Service Provider's calculation of the regulatory asset base for the relevant distribution 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>Attachment 5.01 – Our revenue requirement components</p> <p>Attachments 5.02 – Standard control roll forward model (RFM)</p> <p>Attachment 5.04 – Standard control post-tax revenue model (PTRM)</p> <p>Attachment 5.09 – RFM depreciation tracking module</p>
S6.1.3 (9)	<p>A building block proposal must contain the Distribution Network Service Provider's calculation of the allowed rate of return for each regulatory year of the relevant regulatory control period.</p>	<p>Attachment 5.01 – Our revenue requirement components</p> <p>Attachment 5.03 – Allowed rate of return</p> <p>Attachment 5.04 – Standard control post-tax revenue model (PTRM)</p>
S6.1.3 (9A)	<p>A building block proposal must contain the Distribution Network Service Provider's calculation of the allowed imputation credits for each regulatory year of the regulatory control period.</p>	<p>Attachment 5.01 – Our revenue requirement components</p> <p>Attachment 5.03 – Allowed rate of return</p> <p>Attachment 5.04 – Standard control post-tax revenue model (PTRM)</p>
S6.1.3 (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>Chapter 5 – Our revenue requirement</p> <p>Attachment 5.01 – Our revenue requirement components</p> <p>Attachments 5.02 – Standard control roll forward model (RFM)</p> <p>Attachment 5.04 – Standard control post-tax revenue model (PTRM)</p> <p>Attachment 5.09 – RFM depreciation tracking module</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>Chapter 5 – Our revenue requirement</p> <p>Attachment 5.01 – Our revenue requirement components</p>

NER clause	Obligation	Reference to Proposal document, or to a document that comprises our Regulatory Proposal
S6.1.3 (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> <ul style="list-style-type: none"> (i) asset class (e.g. distribution lines and substations); or (ii) category driver (e.g. regulatory obligation or requirement, replacement, reliability, net market benefit, and business support), together with: (iii) details of all amounts, values and other inputs used by the Distribution Network Service Provider to compile those depreciation schedules; (iv) a demonstration that those depreciation schedules conform with the requirements set out in clause 6.5.5(b) ; and (v) an explanation of the calculation of the amounts, values and inputs referred to in subparagraph (iii) 	<p>Chapter 5 – Our revenue requirement</p> <p>Attachment 5.01 – Our revenue requirement components</p> <p>Attachments 5.02 – Standard control roll forward model (RFM)</p> <p>Attachment 5.04 – Standard control post-tax revenue model (PTRM)</p> <p>Attachment 5.09 – RFM depreciation tracking module</p> <p>RIN response</p>
S6.1.3 (13)	<p>A building block proposal must contain the commencement and length of the regulatory control period proposed by the Distribution Network Service Provider.</p>	<p>Chapter 1 About this regulatory period</p> <p>Glossary</p>
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, specified details (i) to (vi) in relation to the contingent project.</p>	<p>No contingent projects identified</p>
S6.2	<p>A regulatory proposal must establish and adjust the value of the regulatory asset base in accordance with specifications</p>	<p>Chapter 5 – Our revenue requirement</p> <p>Attachment 5.01 – Our revenue requirement components</p> <p>Attachments 5.02 – Standard control roll forward model (RFM)</p> <p>Attachment 5.04 – Standard control post-tax revenue model (PTRM)</p> <p>Attachment 5.09 – RFM depreciation tracking module</p>