
**REGULATORY
INFORMATION NOTICE
UNDER DIVISION 4 OF PART
3 OF THE NATIONAL
ELECTRICITY (AUSTRALIA)
LAW**

ISSUED BY

**THE AUSTRALIAN
ENERGY REGULATOR**

**Australian Energy Regulator
23 Marcus Clarke Street
CANBERRA ACT 2601**

NATIONAL ELECTRICITY (AUSTRALIA) LAW

DIVISION 4 OF PART 3

REGULATORY INFORMATION NOTICE

TO PROVIDE, PREPARE AND MAINTAIN INFORMATION

TO: Australian Distribution Company Pty Limited (ABN 12 345 678 7910)
Level 10, 1 Sparks Avenue
Sydney AUS 1000

The Australian Energy Regulator (**AER**) considers it reasonably necessary for Australian Distribution Company Pty Limited (ABN 12 345 678 7910) (**Australian Distribution Co**), being a regulated network service provider for the purposes of section 28D of the *National Electricity (Australia) Law (NEL)* who provides electricity *distribution services* in Australia, to provide and to prepare and maintain the information in the manner and form specified in this Regulatory Information Notice (**notice**), which is information the **AER** requires for the performance or exercise of a function or power conferred on it under the *NEL* or the *National Electricity Rules (NER)*.

MATTERS THE SUBJECT OF THIS NOTICE

This *notice* sets out the requirements that must be complied with and the information that must be provided to the **AER** and be prepared and maintained by *Australian Distribution Co*, for the purposes of the **AER** to:

- (a) monitor the compliance of *Australian Distribution Co* with the distribution determination that applies to it for the regulatory control period that commenced on 1 July 2019;
- (b) publish reports relating to the financial or operational performance of *Australian Distribution Co*; and
- (c) prepare for the making of the distribution determination that will apply to *Australian Distribution Co* for the regulatory control period commencing on 1 July 2024

in respect of the *distribution services* provided by way of the electricity distribution network *Australian Distribution Co* operates in Australia.

Pursuant to sections 28F(1)(a) and 28M of the *NEL*, the **AER** requires *Australian Distribution Co* to:

- (a) provide the information specified in Schedule 1 to this *notice*, audited in accordance with Appendix C to this *notice*;
- (b) prepare and maintain the information in the manner and form specified in Schedule 2 to this *notice*;
- (c) verify, using the statutory declaration in Appendix B to this *notice*, the information specified in this *notice*; and
- (d) deliver the said information electronically to the *AER* via the *AER*'s secure file transfer service, on or before 5:00 pm Australian Eastern Daylight Time on:
 - (i) 2 November 2020 for *Workbook 2 - New historical* and the 2019-20 regulatory year;
 - (ii) 1 November 2021 for the 2020-21 regulatory year;
 - (iii) 31 October 2022 for the 2021-22 regulatory year;
 - (iv) 31 October 2023 for the 2022-23 regulatory year; and
 - (v) 31 October 2024 for the 2023-24 regulatory year.

Pursuant to section 28K(1)(c) of the *NEL*, the reasons for the information required in this *notice* to be provided and to be prepared and maintained in the manner and form specified are set out at Appendix D to this *notice*.

INTERPRETATION

In this *notice*, including the Schedules and Appendices to this *notice*, unless the contrary intention appears:

- the singular includes the plural and the plural includes the singular;
- a reference to any corporation, whether expressly identified or not, includes a reference to any representatives of that corporation; and
- words printed in italics will have the meaning given in Appendix F of this *notice*, or the meaning given in Chapter 10 of the *NER* if that term is not defined in this *notice*.

DATED: 7 November 2019

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Acting General Manager — Network Finance and Reporting
Australian Energy Regulator

SCHEDULE 1

REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY (AUSTRALIA) LAW ISSUED TO

Australian Distribution Company Pty Limited (ABN 12 345 678 7910)

1. GENERAL REQUIREMENTS

1.1 Provide the information required in each *regulatory template* in the Microsoft Excel workbooks attached at Appendix A completed in accordance with:

- (a) this *notice*;
- (b) the instructions in the Microsoft Excel Workbooks attached at Appendix A;
- (c) the instructions in Appendix E;
- (d) the service classifications which apply to the *relevant regulatory year*; and
- (e) the approved *cost allocation method* which applies to the *relevant regulatory year*.

1.2 Provide a Microsoft Excel workbook or other information that reconciles and explains *adjustments* between the *audited statutory accounts* and the *financial regulatory templates*. *Australian Distribution Co* must separately list each *adjustment* made to derive the *financial regulatory templates*. For each *adjustment* made:

- (a) specify the amount of *adjustment*; and
- (b) describe the nature and basis of each *adjustment*;

1.3 Provide:

- (a) the *regulatory accounting principles and policies* for the *relevant regulatory year*;
- (b) the *capitalisation policy* for the *relevant regulatory year*; and
- (c) a statement of policy for determining the allocation of *overheads* in accordance with the approved *cost allocation method* for the *relevant regulatory year*.

1.4 Identify all *material* changes between the *regulatory accounting principles and policies* provided in the response to paragraph 1.3(a), for the *relevant regulatory year* and the previous *relevant regulatory year*. For each change identified:

- (a) explain the nature of and the reasons for the change; and
- (b) quantify the effect of the change on information in the *financial regulatory templates* for the *relevant regulatory year*.

- 1.5 Identify all *material* changes between the statements of the policy for determining the allocation of *overheads* in accordance with the approved *cost allocation method*, for the *relevant regulatory year* and the previous regulatory year. For each change identified:
- (a) explain the nature of and the reasons for the change; and
 - (b) quantify the effect of the change on information in the *financial regulatory templates* for the *relevant regulatory year*.
- 1.6 If *Australian Distribution Co* has previously provided the *AER* with the policies sought in paragraph 1.3 it is not necessary for *Australian Distribution Co* to provide each policy again unless it identified a *material* change in response to paragraphs 1.4, 1.5 or 5.1.

Material differences in service performance

- 1.7 Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the target performance measure specified in the *service target performance incentive scheme* and actual performance reported in the *non-financial regulatory templates*.
- 1.8 Explain the reasons for each difference identified in the response to paragraph 1.7.

2. COMPLIANCE

- 2.1 Explain the procedures and processes used by *Australian Distribution Co* to ensure that the *distribution services* have been classified as determined in the *2019-24 Distribution Determination*.
- 2.2 Explain the procedures and processes used by *Australian Distribution Co* to ensure that the *negotiated service criteria*, as set out in the *2019-24 Distribution Determination*, have been applied.
- 2.3 Describe the process *Australian Distribution Co* has in place to identify negative change events under clause 6.6.1(f) of the *NER* and the *materiality* threshold applied to these events.

3. COST ALLOCATION TO THE DISTRIBUTION SERVICES

- 3.1 Identify each *item* in the *financial regulatory templates* that is:
- (a) *directly attributable* to *distribution services*;
 - (b) not *directly attributable* but is allocated on a causation basis to the *distribution services*; and
 - (c) not *directly attributable* and cannot be allocated on a causation basis to the *distribution services*.

- 3.2 For each *item* identified in the response to paragraph 3.1(b):
- (a) state the amount of the *item* that has been allocated;
 - (b) explain the method of allocation and reasons for choosing that method; and
 - (c) state the numeric amount of the allocator(s) used.
- 3.3 For each *item* identified in the response to paragraph 3.1(c):
- (a) state the amount of the *item* and whether it was *material*;
 - (b) explain the method of allocation and reasons for choosing that method; and
 - (c) explain the reason(s) why it cannot be allocated on a causation basis.

4. COST ALLOCATION TO SERVICE SEGMENTS

Note: Service segment refers to *standard control services, alternative control services, negotiated services* and, *unclassified or unregulated services*.

- 4.1 Identify each *item* in the *financial regulatory templates* that is:
- (a) *directly attributable* from *distribution services* to a service segment;
 - (b) not *directly attributable* but is allocated on a causation basis from *distribution services* to a service segment; and
 - (c) not *directly attributable* and cannot be allocated on a causation basis from *distribution services* to a service segment.
- 4.2 For each *item* identified in the response to paragraph 4.1(a):
- (a) state the amount of the *item* that has been *directly attributable* to a service segment.
- 4.3 For each *item* identified in the response to paragraph 4.1(b):
- (a) state the amount of the *item* that has been allocated;
 - (b) explain the method of allocation and reasons for choosing that method; and
 - (c) state the numeric amount of the allocator(s) used.
- 4.4 For each *item* identified in the response to paragraph 4.1(c):
- (a) state the amount of the *item* and whether it was *material*;
 - (b) explain the method of allocation and reasons for choosing that method; and
 - (c) explain the reason(s) why it cannot be allocated on a causation basis.

5. CAPITALISATION POLICY

- 5.1 Identify all *material* changes between the *capitalisation policy* for the *relevant regulatory year* and the previous regulatory year.
- 5.2 For each change identified in the response to paragraph 5.1:
- (a) state, if any, the financial impact of the change;
 - (b) state the reasons for the change;
 - (c) explain the effect of the change, if any, on the actual *operating expenditure* and actual *capital expenditure* incurred, in comparison to the forecast *operating expenditure* and forecast *capital expenditure* determined in the 2019-24 *Distribution Determination* for the *relevant regulatory year*; and
 - (d) explain the effect of the change, if any, on the actual operating and actual *capital expenditure* incurred, in comparison to the previous *relevant regulatory year*.

6. DEMAND MANAGEMENT INCENTIVE SCHEME

- 6.1 Identify each demand management *eligible project (DMIS)* and *committed project* for which *Australian Distribution Co* seeks approval.
- 6.2 For each demand management *eligible project (DMIS)* identified in the response to paragraph 6.1:
- (a) explain how it complies with the *AER's regulatory investment test for distribution* as detailed in paragraph 10 or the *minimum project evaluation requirements* detailed at section 2.2.1 of the *demand management incentive scheme*;
 - (b) submit a demand management compliance report in accordance with section 2.4 of the *demand management incentive scheme*;
- 6.3 For each demand management *committed project* identified in the response to paragraph 6.1:
- (a) explain how it complies with *committed project* requirements as detailed at section 2.2.2 of the *demand management incentive scheme*;
 - (b) calculate the project incentive that each *committed project* can receive, in accordance with section 2.3 of the *demand management incentive scheme*;
 - (c) calculate total financial incentive that a distributor can accrue across all *committed projects* for the regulatory year in accordance with section 2.5 of the *demand management incentive scheme*;
 - (d) submit a demand management compliance report in accordance with section 2.4 of the *demand management incentive scheme*.

- 6.4 Provide an overview of developments in relation to *projects* or programs completed in previous years of the regulatory control period, and of any results to date.
- 6.5 Provide any other required information as specified by the *demand management incentive scheme*.

7. DEMAND MANAGEMENT INNOVATION ALLOWANCE MECHANISM

- 7.1 Identify each demand management *eligible project (DMIAM)* for which *Australian Distribution Co* seeks approval.
- 7.2 For each demand management *eligible project (DMIAM)* identified in the response to paragraph 7.1:
- (a) explain how it complies with *project* criteria detailed at section 2.2.1 of the *demand management innovation allowance mechanism*;
 - (b) submit a compliance report in accordance with section 2.3 of the *demand management innovation allowance mechanism*.
- 7.3 Provide an overview of developments in relation to *projects* or programs completed in previous years of the regulatory control period, and of any results to date.
- 7.4 Provide any other required information as specified by the *demand management innovation allowance mechanism*.

8. TAX STANDARD ASSET LIVES

- 8.1 Identify all tax standard asset lives applied to *asset classes* that differ from those contained in the *AER* approved *PTRM* for the *relevant regulatory year*.
- 8.2 Explain the reasons for each difference identified in paragraph 8.1 including reasons for any departure from the *ATO's* most recent determination of effective life.

9. TAX REPORTING – IMMEDIATE EXPENSING

- 9.1 In *Workbook 1 – Annual Reporting, regulatory template 8.2*, table 8.2.7, provide the amount of *Australian Distribution Co's immediate expensing capital expenditure* by *asset class* incurred within the *relevant regulatory year*. This capex should be consistent with the value of *immediate expensing capital expenditure* that has been or would be included in the income tax returns lodged by *Australian Distribution Co*, whether Federal or NTER, for the *relevant regulatory year*. These reported values may be updated through a *RIN* resubmission to reflect updates to these values arising as the result of the *ATO's* decision-making process.
- 9.2 Please list and explain the types of *capex* (such as refurbishment *capex* and capitalised overheads) associated with the *immediate expensing capital expenditure* as reported in *Workbook 1 – Annual Reporting, regulatory template 8.2*, table 8.2.7, if any.

- 9.3 Please state if *Australian Distribution Co* has changed and/or intends to change its tax policy on *immediate expensing capital expenditure*.

10. REGULATORY INVESTMENT TEST EXPENDITURE

- 10.1 For each *project* where *Australian Distribution Co* has incurred expenditure during the *relevant regulatory year* relating to a *project* that has undergone a *regulatory investment test for distribution* in accordance with r. 5.17 of the *NER* and the *AER's Regulatory investment test for distribution application guidelines* provide the following details:
- (a) The name of the *regulatory investment test for distribution* and the date on which the *regulatory investment test for distribution* process was concluded;
 - (b) whether the expenditure on the *project* is classified as augmentation expenditure or replacement expenditure;
 - (c) the total cumulative expenditure incurred to date on the *project* in nominal dollars; and
 - (d) the forecasted total cumulative expenditure expected to be incurred over the life of the *project* in nominal dollars.

11. CORPORATE STRUCTURE

- 11.1 Provide charts that set out:
- (a) the group corporate structure of which *Australian Distribution Co* is a part; and
 - (b) the organisational structure of *Australian Distribution Co*.

12. AUDIT OPINION REPORTS AND REVIEW CONCLUSION STATEMENTS

- 12.1 Provide the *audit opinion reports* and the *review conclusion statements* as applicable, prepared in accordance with the requirements set out in Appendix C.
- 12.2 Provide all reports from the auditor to *Australian Distribution Co* regarding the *review conclusion statement* and/or *auditors' opinion report* or assessment.

13. CONFIDENTIAL INFORMATION

- 13.1 If *Australian Distribution Co* makes a claim for confidentiality over any information provided in accordance with this *notice*, *Australian Distribution Co* must:
- (a) comply with the requirements of *AER's Confidentiality Guideline*, as if it extended and applied to responses to this *notice*; and
 - (b) provide, in addition to a confidential version of any information, a version of the information that may be published by the *AER*.

14. RESUBMISSION OF INFORMATION

14.1 If *Australian Distribution Co* is required to resubmit information provided under this *notice*, *Australian Distribution Co* must provide:

- (a) the relevant Microsoft Excel Workbook(s), fully populated, with the revised information marked as amended using the macro function within the Microsoft Excel Workbook(s);
- (b) the reason for the resubmission; and
- (c) a statement as to whether or not the resubmitted information results in a *material* change in *Australian Distribution Co's* response to the *notice*.

14.2 If *Australian Distribution Co* resubmits information which results in a *material* change to its response to this *notice*, the *AER* may request that *Australian Distribution Co* provide assurance over this information by:

- (a) verifying the resubmitted information by way of a statutory declaration in accordance with Appendix B of this *notice*; and
- (b) providing the necessary *audit opinion report* and the *review conclusion statements* as applicable for the resubmitted information, prepared in accordance with the requirements set out in Appendix C of this *notice*.

14.3 If the *AER* requests assurance over the resubmitted information in accordance with paragraph 14.2, such assurance information must be provided at the time the next annual response to this *notice* is due or on a date otherwise agreed to by the *AER*.

15. REPORTING OF FINES AND PENALTIES

15.1 Where any fine or penalty has been incurred by *Australian Distribution Co* during the *relevant regulatory year* as a result of non-compliance with:

- (a) a distribution safety standard; or
- (b) distribution reliability standard; or
- (c) distribution service standard; or
- (d) the *NEL* or *NER*; or
- (e) the National Electricity Retail Law or National Electricity Retail Rules; or
- (f) any Act or instrument referred to in s.2D(1)(b)(ii) to (v) of the *NEL*.

Australian Distribution Co must identify and itemise each fine or penalty (including the size of each fine or penalty, and the relevant authority that levied each fine or penalty).

15.2 For all such fines or penalties identified in response to paragraph 15.1, *Australian Distribution Co* must provide a statement attesting that:

- (a) *Australian Distribution Co* has not included any of that expenditure or cost, or any part of that expenditure or cost, in the operating expenditures contained in its response to this *notice*; and
- (b) *Australian Distribution Co* has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and
- (c) *Australian Distribution Co* has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.

15.3 Where no such fines or penalties have been identified in response to paragraph 15.1, *Australian Distribution Co* must provide a statement attesting that:

- (a) No such fine or penalty has been incurred.

15.4 The fines or penalties identified in paragraph 15.1 excludes any payments made in accordance with the *AER's* incentive schemes (including GSL payments under Chapter 6 of the *AER's* STPIS) or any relevant jurisdictional GSL scheme.

SCHEDULE 2

REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY (AUSTRALIA) LAW ISSUED TO

Australian Distribution Company Pty Limited (ABN 12 345 678 7910)

1. PREPARE INFORMATION

- 1.1 Prepare the Microsoft Excel Workbooks attached at Appendix A in the manner and form specified in the worksheets therein and in accordance with this *notice*.
- 1.2 Prepare a *basis of preparation* in accordance with the requirements specified in Schedules 1 and 2. The *basis of preparation* must:
 - (a) demonstrate how the information provided is consistent with the requirements of this *notice*;
 - (b) explain the source from which *Australian Distribution Co* obtained the information provided;
 - (c) explain the methodology *Australian Distribution Co* applied to provide the required information, including any assumptions made; and
 - (d) explain, in circumstances where *Australian Distribution Co* cannot provide input for a variable using *actual information* and therefore must provide input using *estimated information*:
 - (i) why an estimate was required, including why it was not possible for *Australian Distribution Co* to use *actual information*; and
 - (ii) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is *Australian Distribution Co's* best estimate.
- 1.3 Prepare all information required under this *notice* in a manner and form that is in accordance with the requirements at Schedules 1 and 2 which:
 - (a) is in an electronic format;
 - (b) includes any underlying calculations and formulae;
 - (c) is not password protected;
 - (d) where relevant, allows for precedents and dependents to be traced;
 - (e) is fully searchable, in text readable format and is capable of text selection and a 'copy and paste' function being applied to it (we prefer that all files be provided in Microsoft Word or PDF, templates must be in Microsoft Excel); and

(f) that is readily available for inspection by, or submission to, the *AER*.

- 1.4 Prepare using a person(s) who satisfies the requirements of paragraph 2 of Appendix C, an *audit opinion report* and *review conclusion statement(s)* (as applicable) in accordance with the requirements of this *notice*.

2. MAINTAIN INFORMATION

- 2.1 *Australian Distribution Co* must maintain all information prepared under this Schedule 2 for a period of seven years from the date the information is submitted to the *AER*.

APPENDIX A

REGULATORY TEMPLATES

See attached Microsoft Excel Workbooks titled:

1. *Australian Distribution Co Annual RIN templates (**Workbook 1 – Annual Reporting**)*
2. *Australian Distribution Co New historical templates (**Workbook 2 – New historical**)*
3. *Tasmanian distributor Service Target Performance Incentive Scheme templates (**Workbook 3 – STPIS data**)*
4. *Australian Distribution Co Transitional data templates (**Workbook 4 – Transitional data**)*

APPENDIX B

NATIONAL ELECTRICITY (AUSTRALIA) LAW

SECTION 28M(d)

STATUTORY DECLARATION

An *officer* of *Australian Distribution Co* is required to complete a statutory declaration form appropriate for the jurisdiction in which the *officer* resides.

In completing the form the *officer* must make a declaration in the following terms:

1. I am an officer, for the purposes of the *National Electricity (Australia) Law*, of Australian Distribution Company Pty Limited (trading as *Australian Distribution Co*) (ABN 12 345 678 7910), a regulated network service provider for the purposes of section 28D of the NEL. I am authorised by *Australian Distribution Co* to make this statutory declaration as part of the response of *Australian Distribution Co* to the Regulatory Information Notice dated 7 November 2019 (*notice*) and served on *Australian Distribution Co* by the Australian Energy Regulator (*AER*).
2. I say that the *actual information* (as defined in the *notice*) provided in *Australian Distribution Co's* response to the *notice* is, to the best of my information, knowledge and belief:
 - (a) in accordance with the requirements of the *notice*; and
 - (b) true and accurate.
3. Where it is not possible to provide *actual information* to comply with the *notice*, *Australian Distribution Co* has, to the best of my information, knowledge and belief:
 - (a) provided *Australian Distribution Co's* best estimate of the information in accordance with the requirements of the *notice*; and
 - (b) provided the basis for each estimate, including assumptions made and reasons why the estimate is the best estimate.

APPENDIX C
NATIONAL ELECTRICITY (AUSTRALIA) LAW
SECTION 28M(e)

AUDITS AND REVIEWS

1. INFORMATION TO BE AUDITED OR REVIEWED

1.1 The independent audit or review process set out in this Appendix C applies to the historical information in the Microsoft Excel Workbooks attached at Appendix A:

- (a) actual *financial information*;
- (b) estimated *financial information* where *Australian Distribution Co* certifies that it is not possible to provide actual historical information; and
- (c) actual and estimated *non – financial information*.

1.2 If *Australian Distribution Co* has previously provided information to be audited to the *AER* in response to a Regulatory Information Instrument to the standard required by this *notice*, it is not necessary for this data to be audited again. This fact would need to be confirmed and documented in response to this *notice*.

However, if this previously audited and supplied data is disaggregated for the purposes of this *notice*, the disaggregated data and reconciliation with the previously audited and supplied data must be audited.

1.3 Forecasts, explanations relating to *material* differences, and auto populated cells in the Microsoft Excel Workbooks attached at Appendix A are outside of the *audit* and review requirements.

2. CLASS OF PERSON TO CONDUCT THE AUDIT/REVIEWS

2.1 The audit or review of information (as applicable) referred to in paragraph 1.1(a) and 1.1(b) must be conducted by the Australian Auditor General, or a person who:

- (a) is a registered company auditor who is a member of the Institute of Chartered Accountants Australia (CA or FCA) or of CPA Australia (CPA or FCPA) that holds a Certificate of Public Practice, or
- (b) is independent from *Australian Distribution Co* and all of its related bodies corporate – that is, not a principal, member, shareholder, officer, or employee of *Australian Distribution Co* or its related entities;
- (c) is appointed for the purposes of expressing an opinion or conclusion on the audit requirements outlined in detail in paragraph 3 of this Appendix C;
- (d) has experience in conducting financial, performance, operation or quality assurance audits and conducting data sampling in the electricity industry;
- (e) possesses relevant knowledge and experience in the electricity industry, engineering, IT systems, asset management and customer service as relevant to the audit or review;

- (f) understands regulatory accounting methods, including *Australian Distribution Co's cost allocation method* and the *AER's Ring-fencing Guideline – Electricity Distribution*;
 - (g) understands the definitions, procedures and methodologies specified in the *NER* and/or this *notice* that have been used in the preparation of the data the subject of the audit or review; and
 - (h) is available to discuss issues relating to the audits with *Australian Distribution Co* and the *AER*, including where an *audit opinion report* or *review conclusion statement* is critical of, or highlights deficiencies in, the audited *financial information* and/or *non-financial information*.
- 2.2 The review of information referred to in paragraph 1.1(c) that relates to *non-financial information* may be conducted by a person who:
- (a) does not satisfy all of the requirements in paragraph 2.1(a);
 - (b) is an assurance practitioner as defined in *ASAE 3000 Assurance engagements other than audits or reviews of historical financial information*; and
 - (c) satisfies the requirements of paragraph 2.1(b) to (h).

3. AUDIT AND REVIEW REQUIREMENTS

- 3.1 Audits and reviews must be conducted in compliance with Australian Auditing and Assurance Standards, as developed by the Auditing and Assurance Standards Board.
- 3.2 The audit of actual *financial information* referred to in paragraph 1.1(a) must:
- (a) comply with the Auditing Standard *ASA 805 [Special consideration] – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*; and
 - (b) include an *audit opinion report* that includes an opinion as to whether or not the actual *financial information* provided is presented fairly in accordance with the requirements of this *notice* and the *Australian Distribution Co's basis of preparation*.
- 3.3 The review of *estimated financial information* referred to in paragraph 1.1(b) must
- (a) comply with *ASRE 2405 Review of Historical Financial Information Other than a Financial Report*; and
 - (b) include a conclusion statement as to whether or not anything has come to the auditor's attention that causes it to believe that the estimated historical *financial information* does not, in all *material* respects, present fairly in accordance with the requirements of this *notice* and the *Australian Distribution Co's basis of preparation*.

3.4 The review of the *non-financial information* referred to in paragraph 1.1(c) must:

- (a) comply with the ASAE 3000 *Assurance engagements other than audits or reviews of historical financial information*; and
- (b) include a conclusion statement as to whether or not anything has come to the auditor's attention that causes it to believe that the historical *non-financial information* does not, in all *material* respects, presented fairly in accordance with the requirements of this *notice* and *Australian Distribution Co's basis of preparation*.

APPENDIX D

NATIONAL ELECTRICITY (AUSTRALIA) LAW

SECTION 28K(1)(c)

STATEMENT OF REASONS

This statement of reasons explains why the *AER* considers it reasonably necessary for the information described in this *notice* to be provided, prepared and maintained in the manner and form specified.

The functions and powers of the *AER* are specified under section 15 of the *NEL*. These include monitoring regulated network service providers' compliance with network revenue or pricing determinations, preparing and publishing reports on regulated network service providers' financial and operational performance and economic regulatory functions or powers.

In addition, section 16 of the *NEL* requires the *AER* to perform its functions in a manner that will or is likely to contribute to the achievement of the *National Electricity Objective*. Section 16 of the *NEL* also requires the *AER* to take into account the revenue and pricing principles set out in section 7A of the *NEL* when exercising a discretion in making those parts of a distribution determination relating to direct network control services.

Accordingly, the *AER* needs to obtain detailed information relating to *Australian Distribution Co* and its regulated electricity network services. For example, the *AER* considers that, in order to monitor *Australian Distribution Co's* capital, operating expenditures, network reliability performance and customer service, and to inform the next distribution determination, the *AER* requires annually detailed capital, operating expenditure, network reliability and customer service information. Much of this information is held only by *Australian Distribution Co* and is not publicly available.

The *AER* considers that the information and documents that it receives in response to this *notice* will enable it to perform its functions and powers under section 15 of the *NEL* and contribute to the achievement of the *National Electricity Objective*.

APPENDIX E
INSTRUCTIONS

1. Part A: General Instructions

BASIS OF PREPARATION

- 1.1 *Australian Distribution Co* must explain the basis upon which *Australian Distribution Co* prepared information to populate the input cells (basis of preparation) for all information in the *regulatory templates*.
- 1.2 The *basis of preparation* must be a separate document (or documents) that *Australian Distribution Co* submits with its completed *regulatory templates*.
- 1.3 The *basis of preparation* must follow a logical structure that enables auditors, assurance practitioners and the AER to clearly understand how *Australian Distribution Co* has complied with the requirements of this *notice*.
- 1.4 At a minimum, the *basis of preparation* must meet the requirements of Schedule 2, paragraph 1.2.
- 1.5 *Australian Distribution Co* may provide additional detail beyond the minimum requirements if *Australian Distribution Co* considers it may assist a user to gain an understanding of the information presented in the *regulatory templates*.
- 1.6 When reporting an *audit opinion report*, *review conclusion statement* or making an attestation report on the *regulatory templates* presented by *Australian Distribution Co*, an *auditor* or assurance practitioner shall opine or attest by reference to *Australian Distribution Co's basis of preparation*.

COMPLETING WORKBOOKS

Entry of variables

Variables in yellow cells

- 1.7 Yellow cells require input. If a yellow cell is not applicable to *Australian Distribution Co* it may be left blank (null response). There may be several variables that fall into this category.

Variables in grey cells

- 1.8 Cells coloured grey do not require input and must not be amended by *Australian Distribution Co*. These cells either are not relevant to *Australian Distribution Co* or contain formulae.

Variables in orange cells

- 1.9 Orange cells allow a NULL response from *Australian Distribution Co*. A NULL response means the cell must be left blank. Do not write NULL; or N/A; or use any other text input to the cell.

Numerical inputs

1.10 All amounts are to be unrounded and reported on a one for one basis: that is 1000 is to be entered as '1000', not '1' or '0.001'.

Identification of confidential information

1.11 In respect of the *regulatory templates*, *Australian Distribution Co* must:

- (a) complete the applicable Microsoft Excel Workbooks attached at Appendix A;
- (b) highlight all information that is subject to a confidentiality claim using the confidentiality macro in the workbooks;
- (c) prepare a public version of the workbooks that may be published by the *AER*; and
- (d) submit all Microsoft Excel Workbooks to us.

1.12 In respect of all other information provided in response to this *notice*, *Australian Distribution Co* must:

- (a) highlight all information that is subject to a confidentiality claim so that it can be clearly identified in print and electronic versions of the document; and
- (b) prepare a public version of the workbooks or documents that may be published by the *AER*.

Resubmission of information

1.13 When resubmitting data provided under this *notice* in accordance with Schedule 1, paragraph 14 the *Australian Distribution Co* must:

- (a) prepare the relevant Microsoft Excel Workbook(s), fully populated, with the revised information marked as amended using the macro function within the Microsoft Excel Workbook(s);
- (b) highlight all information that is subject to a confidentiality claim using the confidentiality macro in the workbook(s);
- (c) prepare a public version of the workbook(s) that may be published by the *AER*; and
- (d) submit the relevant Microsoft Excel Workbook(s) to us.

2. Part B: Workbook 1 – Annual Reporting Instructions

GENERAL

2.1 The *financial regulatory templates* must:

- (a) be derived from the *audited statutory accounts*;
- (b) be verifiable by reference to the *audited statutory accounts*;
- (c) generally be prepared using the accrual basis of accounting;
- (d) report the substance, over the form, of a transaction, taking into account all aspects, implications and expectations of and motivations for the transaction and that a group or series of transactions that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate;
- (e) only include costs that are incurred in or relate to the provision of *standard control services*, *alternative control services*, and *negotiated services* unless otherwise provided;
- (f) be presented on a fair and consistent basis, from the *accounting records* that underlie the costs, revenue, assets and liabilities that may be reasonably attributed to *Australian Distribution Co*;
- (g) in so far as is reasonably practicable, be prepared in accordance with the general rules and format, and use the accounting principles and policies applicable to the *audited statutory accounts* except as otherwise required by this *notice*;
- (h) be presented in an understandable manner, without sacrificing relevance or reliability;
- (i) state fairly the financial performance of *Australian Distribution Co*; and
- (j) unless otherwise specified, not be adjusted for inflation.

2.2 Provide all *financial information* on a regulatory year basis and set out:

- (a) whether the information is *actual information* or *estimated information*. For information in the nature of an estimate provide a statement of the basis of the estimate; and
- (b) the units of measurement for parameters or values used to derive or infer values; and
- (c) whether the information is expressed in nominal or another basis and include the base year of information where relevant.

COST ALLOCATION

- 2.3 All costs that relate to or are incurred in the provision of *distribution services* in the *audited statutory accounts*, must be allocated to *Australian Distribution Co* in accordance with paragraph 2.5.
- 2.4 All costs allocated to *Australian Distribution Co* in the response to paragraph 2.3 must be in turn be allocated in accordance with paragraph 2.5 to:
- (a) a *standard control service*;
 - (b) an *alternative control service*; or
 - (c) a *negotiated service*; or
 - (d) an *unclassified or unregulated service*.
- 2.5 A cost allocated to *Australian Distribution Co* in the response to paragraph 2.3, that is:
- (a) *directly attributable* to *Australian Distribution Co*, is to be allocated to *Australian Distribution Co*;
 - (b) not *directly attributable* to *Australian Distribution Co* is to be allocated to *Australian Distribution Co* on a causation basis, unless the *item* is not *material*, using an appropriate allocator, determined in accordance with Schedule 1, paragraph 3.3;
 - (c) *directly attributable* to *Australian Distribution Co* but not *directly attributable* to a *standard control service*, an *alternative control service*, a *negotiated service* or, an *unclassified or unregulated service*, is to be allocated across *distribution services* in accordance with the approved *cost allocation method*;
 - (d) *capital expenditure* is to be allocated to an *asset class* on a *directly attributable* basis or a causation basis using an appropriate allocator; and
 - (e) *operating expenditure* is to be allocated to an *opex category* on a *directly attributable* basis or a causation basis using an appropriate allocator.

Note: See paragraphs 3 and 4 of Schedule 1

CUSTOMER AND GOVERNMENT CONTRIBUTIONS

- 2.6 *Capital contributions* treated as revenues in *audited statutory accounts* and included in the value of assets must not be carried forward into the capital base.
- 2.7 *Capital contributions* must be treated in accordance with the method approved in the *2019-24 Distribution Determination*.

REGULATORY ASSET BASE

- 2.8 Asset revaluations or adjustments for impairment are not permitted unless agreed to or required by the *AER*.
- 2.9 Revaluations or adjustments for impairment made in the *audited statutory accounts* must be recorded in the *adjustments* column in the *financial regulatory templates*.
- 2.10 Capital works expenditure must be allocated to an *asset class* and must not be shown under a work in progress heading.
- 2.11 Goodwill and any related impairments must not be included in the *financial regulatory templates*.

REGULATORY ACCOUNTING PRINCIPLES AND POLICIES

- 2.12 The *regulatory accounting principles and policies* must:
- (a) be based on a recognisable and rational economic basis;
 - (b) ensure that the resultant *financial information* satisfies the concepts of relevance and reliability;
 - (c) ensure that the substance of the underlying transactions and events is reported in the *financial regulatory templates*;
 - (d) ensure that the *financial regulatory templates* can be understood;
 - (e) allow for comparisons to be made over time; and
 - (f) conform to the recognition and measurement principles of the Australian Accounting Standards.

FORECASTS FROM THE DISTRIBUTION DETERMINATION

- 2.13 *Forecasts* from the 2019-24 *Distribution Determination* must be adjusted to the same dollar terms as the actual data reported in the *financial regulatory templates* at Appendix A.
- 2.14 Where appropriate the *forecast* data is to be deflated by removing the impact of the *AER* forecast inflation from the *Australian Distribution Co* data, and reinflated taking into account the impact of actual inflation outcomes.
- 2.15 Any inflation *adjustments* to *forecast* data must be detailed in the *Australian Distribution Co's basis of preparation*.

COMPLETION OF WORKBOOK 1 – ANNUAL REPORTING

- 2.16 *Workbook 1 – Annual Reporting, regulatory template* 'Business & Other details' instructions:

- (a) *Australian Distribution Co* must complete the business details before entering data or values in any other *regulatory template* within *Workbook 1 – Annual Reporting*. The information in *Workbook 1 – Annual Reporting* is linked to other cells within the workbook and automatically generates column headings and cell formatting to distinguish specific business input and non-input cells.

QUALITY OF SERVICES

2.17 *Workbook 1 – Annual Reporting, regulatory template 3.6.8* instructions:

- (a) *Australian Distribution Co* must answer the question ‘Did the MAIFI parameter of the *STPIS* apply during the period’ before entering data or values in *regulatory template 3.6.8*.

STPIS -GENERAL

2.18 When completing *Workbook 1 – Annual RIN, regulatory templates 6.2-6.9 Australian Distribution Co* must provide unrounded data.

RELIABILITY AND CUSTOMER SERVICE PERFORMANCE

2.19 *Workbook 1 – Annual RIN, regulatory template 6.2* instructions:

- (a) *Australian Distribution Co* must not change the answer to the question ‘Did the MAIFI parameter of the *STPIS* apply during the period.’ This response has been prepopulated from *regulatory template 3.6.8*.

2.20 *Workbook 1 – Annual RIN, regulatory template 6.6, table 6.6.2* instructions:

- (a) The threshold for inadequately served customer aligns with the *AER’s Distribution Reliability Measures Guideline* and means a customer experiencing greater than 4 times the Network average for unplanned *SAIDI* on a three-year rolling average basis compared with a network average customer;
- (b) In relation to a particular feeder type the network average *unplanned SAIDI* of a network average customer is the *unplanned SAIDI* of the network type including excluded events;
- (c) The value entered for the ‘Highest unplanned *SAIDI* of inadequately served customers’ and ‘Highest unplanned *SAIFI* of inadequately served customers’ is to relate to only a single customer (i.e. to capture the highest *SAIDI* and *SAIFI* experienced by the worst affected single customer).

STPIS DAILY PERFORMANCE

2.21 *Workbook 1 – Annual Reporting, regulatory template 6.7* instructions:

- (a) *Australian Distribution Co* must not change the answer to the question 'Did the MAIFI parameter of the *STPIS* apply during the period.' This response has been prepopulated from *regulatory template* 3.6.8;
- (b) *Australian Distribution Co* is to only remove reliability data from *regulatory template* 6.7, if an *excluded event* listed in clause 3.3(a) of the *STPIS* occurs;
- (c) *Australian Distribution Co* is to only remove customer service parameters data from *regulatory template* 6.7, if an *excluded event* listed in clause 5.4 of the *STPIS* occurs; and
- (d) *Australian Distribution Co* must report customer service information in accordance with the definitions of the *STPIS*. This excludes;
 - (i) Calls to payment lines and automated interactive services; and
 - (ii) *Calls abandoned* by the *customer* within 30 seconds of the call being queued for response by a human operator (where the time in which a telephone call is abandoned is not measured, then an estimate of the number of *calls abandoned* within 30 seconds will be determined by taking 20% of all *calls abandoned*).

STPIS – GUARANTEED SERVICE LEVEL

2.22 *Workbook 1 – Annual Reporting, regulatory template* 6.9 instructions:

- (a) *Australian Distribution Co* must answer the question 'Did the *AER*'s GSL scheme apply at any time during the regulatory year' before entering data or values in *regulatory template* 6.9;
- (b) *Australian Distribution Co* is to record all jurisdiction GSL scheme parameters which are relevant to *Australian Distribution Co*. Example GSL parameters have been provided in *regulatory template* 6.9. For GSL parameters which do not fit within the provided sub-tables in *regulatory template* 6.9, *Australian Distribution Co* is to enter a heading and identify the relevant GSL parameter.
- (c) *Australian Distribution Co* must only include prescribed payments under the jurisdictional GSL scheme.

JURISDICTIONAL SCHEMES

2.23 *Workbook 1 – Annual Reporting, regulatory template* 6.9 instructions:

- (a) *Australian Distribution Co* must list each relevant *jurisdictional scheme* individually and report information for each *jurisdictional scheme*.

CAPITAL EXPENDITURE

2.24 *Workbook 1 – Annual Reporting, regulatory template* 8.2 instructions:

- (a) *Australian Distribution Co* must report the 'CPI adjusted Forecast' by converting the forecast *capital expenditure* from the distribution determination by the cumulative inflation of the respective regulatory year;
- (b) *Australian Distribution Co* must provide the allocation method in the *basis of preparation* if allocations are based on assumptions;
- (c) *Australian Distribution Co* is to list in table 8.2.1 the *capex by purpose* categories identified in Worksheet 2.1 (Expenditure Summary), table 2.1.1 in *Australian Distribution Co's Reset RIN response*.
- (d) *Australian Distribution Co* must report in table 8.2.1 the total *capital expenditure* including expenditure funded via *capital contributions* (i.e. the *capital contributions* should be included as a positive value). Total *capital contributions* is also to be identified as the last item in table 8.2.1;
- (e) *Australian Distribution Co* must explain in table 8.2.2 the main factors driving the difference between the *forecast* and actual *capital expenditure* reported in table 8.2.1, if the difference is equal to or greater than +/- 10 per cent;
- (f) the expenditure recorded by *Australian Distribution Co* in table 8.2.1 and 8.2.3 must include any profit margins or management fees paid directly or indirectly to *related party* contractors for the regulatory year. For *Australian Distribution Co* '*related party margin expenditure*' must comprise only profit margins or management fees paid directly or indirectly to *related party* contractors (not including actual incurred expenses of the *related party* contractor) for the regulatory year;
- (g) *Australian Distribution Co* must explain in its *basis of preparation* the basis upon which it has reported *movements in capitalised provisions* in table 8.2.4;
- (h) When completing table 8.2.4 reported provisions are those that have been included in the associated *capex* reported in this table; and
- (i) *Australian Distribution Co* is to list in tables 8.2.4, 8.2.5 and 8.2.6 *each asset class* specified in its current determination as listed in the *AER's* final decision in its *post-tax revenue model* and enter information against that *asset class*.
- (j) *Australian Distribution Co* is to list in table 8.2.7 *each asset class* specified in its current determination as listed in the *AER's* final decision in its *post-tax revenue model* and enter the *immediate expensing capital expenditure* information against *each asset class*. Further to this, where there is no forecast or actual *immediate expensing capital expenditure* for a specific *asset class* for the relevant regulatory year, input the value "\$0".
- (k) *Australian Distribution Co* must explain the main factors driving the difference between the *forecast* and actual *immediate expensing capital expenditure* for tax

purposes reported in table 8.2.7, if the difference is equal to or greater than +/- 10 per cent;

- (l) The information entered in table 8.2.4 should include the *capital expenditure* funded by *capital contributions* (i.e. the *capital contributions* should be included in each *asset class*' *capital expenditure* as a positive value where relevant).

OPERATING AND MAINTENANCE EXPENDITURE

2.25 *Workbook 1 – Annual Reporting, regulatory template 8.4* instructions:

- (a) *Australian Distribution Co* must report the 'CPI adjusted Forecast' by converting the forecast *operating expenditure* from the distribution determination by the cumulative inflation of the respective regulatory year;
- (b) *Australian Distribution Co* must provide the allocation method in the *basis of preparation* if allocations are based on assumptions;
- (c) *Australian Distribution Co* is to list in table 8.4.1 the *operating expenditure categories* identified in Worksheet 3.2 (Opex), table 3.2.1 in *Australian Distribution Co's Reset RIN response*;
- (d) *Australian Distribution Co* in table 8.4.1 must specify any expenditure category where the expense is more than five per cent of the total *standard control services operating expenditure*. *Australian Distribution Co* must specify debt raising cost as an expenditure category, regardless of the expenditure amount;
- (e) the expenditure recorded by *Australian Distribution Co* in table 8.4.1 must include any profit margins or management fees paid directly or indirectly to *related party* contractors for the regulatory year.
- (f) The *related party* margin expenditure recorded by *Australian Distribution Co* in table 8.4.2 must comprise only profit margins or management fees paid directly or indirectly to *related party* contractors for regulatory year; and
- (g) *Australian Distribution Co* must explain in table 8.4.3 the main factors driving the difference between the forecast and actual *operating expenditure* reported in table 8.4.1, if the difference is equal to or greater than +/-10 per cent.

TUOS AUDIT

2.26 *Workbook 1 – Annual Reporting, regulatory template 9.5* instructions:

- (a) *Australian Distribution Co* is only required to complete the *regulatory template* if operating in Victoria.

3. Part C: Workbook 2 – New historical Instructions

GENERAL

3.1 *Australian Distribution Co* must:

- (a) complete and submit on 2 November 2020 the historical data required by *Workbook 2 – New historical* attached at Appendix A for each regulatory year for which it has not previously provided the *AER* with new historical information (for example as part of its *regulatory proposal*);
- (b) New historical data is to be collected from 2008-2009 (or the 2009 calendar year) until 2023-2024;
- (c) NSW/ACT/NT and Tasmanian distributors are to provide:
 - (i) New historical (category analysis) data from 2008-2009 to 2023-2024;
 - (ii) Immediate expensing capex data for 2018-19. (The ongoing collection of this data is covered in *Workbook 1 – Annual Reporting*).
- (d) Qld/SA distributors are to provide:
 - (i) New historical (category analysis) data from 2008-2009 to 2023-2024;
 - (ii) Immediate expensing capex data for 2018-19 and 2019-2020. (The ongoing collection of this data is covered in *Workbook 1 – Annual Reporting*).
- (e) Victorian distributors are to provide:
 - (i) New historical (category analysis) data for 2019 and 2020 on a calendar year basis;
 - (ii) New historical (category analysis) data for 2020-2021 to 2023-2024 on a financial year basis;
 - (iii) Immediate expensing capex data for 2019 and 2020 on a calendar year basis. (The ongoing collection of this data is covered in *Workbook 1 – Annual Reporting*).
- (f) Ensure the file name for this workbook contains the words ‘Consolidated Information’ and identify the *relevant regulatory year*;
- (g) highlight all information that is subject to a confidentiality claim in each workbook using the confidentiality macro in the workbook. The file name of the workbook is to contain the word ‘Confidential’;
- (h) prepare a public version of the consolidated version of the workbook.

3.2 *Workbook 2 – New historical, regulatory template* ‘Business & Other details’ instructions:

- (a) *Australian Distribution Co* must complete the business details before entering data or values in any other *regulatory template* within *Workbook 2 – New historical*. The information in *Workbook 2 – New historical* is linked to other cells within the workbook and automatically generates column headings and cell formatting to distinguish specific business input and non-input cells.
- (b) *Australian Distribution Co* must select the relevant reporting year, in each instance of the workbook to be submitted to the *AER*.

REPEX

3.3 *Workbook 2 – New historical, regulatory template 2.2* instructions for staking wooden poles:

- (a) *Australian Distribution Co* must only report expenditure and volume data in the respective regulatory year the poles were staked;
- (b) *Australian Distribution Co* is not required to report data for asset failures where a staked wooden pole failed and that failure was due to the stake.

CONNECTIONS

3.4 *Workbook 2 – New historical, regulatory template 2.5* instructions:

- (a) *Australian Distribution Co* must report data for non-contestable, regulated *connection services*. This includes work performed by third parties on behalf of *Australian Distribution Co*;
- (b) *Australian Distribution Co* must not report data in relation to negotiated *connection services* or *connection services* which have been classified as contestable by the *AER*;
- (c) *Australian Distribution Co* must only report *connection services expenditure* in relation to *standard control services* for table Expenditure – Standard Control Services. This expenditure is a net amount and should not include *customer contributions*;
- (d) *connections expenditure* in relation to *customer contributions* for each regulatory year is to be reported in table 2.5.2 sub table Expenditure – Standard Control Services – Capital Contributions;

NON-NETWORK EXPENDITURE

3.5 *Workbook 2 – New historical, regulatory template 2.6* instructions:

- (a) *Australian Distribution Co* is to report *ICT capex by purpose* in table 2.6.4 in accordance with the definitions in Appendix F;
- (b) *Australian Distribution Co* is to report *non-recurrent ICT capex* under the three sub-categories outlined in the *AER's* Guidance Note released as part of the *AER's* 2019 ICT Expenditure Review (as amended from time to time) namely:
 - (i) Maintaining existing services, functionalities, capability and/or market benefits;
 - (ii) Complying with new/altered regulatory obligations/requirements; and
 - (iii) New or expanded ICT capability, functions and services.

As best as possible, *Australian Distribution Co* is to report expenditure for any specific projects/programs under these three categories.

In the event, the *AER's* Guidance Note is not released or is withdrawn *Australian Distribution Co* can report *non-recurrent ICT capex* by subcategories listed in paragraph 3.5(b)(i)-(iii).

- (c) *Australian Distribution Co* can report *recurrent ICT capex* by any subcategories it chooses (i.e. client devices, software, hardware, etc.).

OVERHEAD EXPENDITURE

3.6 Workbook 2 – New historical, regulatory template 2.10 instructions:

- (a) *Australian Distribution Co* is to report *overhead* expenditure before it is allocated to direct expenditure. *Australian Distribution Co* must report the total amounts allocated to *opex* and *capex* for *standard control services* and *alternative control services*, and report total amounts allocated to *negotiated services* and, *unclassified* or *unregulated services*, in each respective *relevant regulatory year*;
- (b) If there any *overhead* expenditure that is capitalised, *Australian Distribution Co* must:
 - (i) report the total amounts allocated to *standard control services* and *alternative control services* in each respective *regulatory year*;
 - (ii) explain in the *basis of preparation* why it is capitalised; and
 - (iii) if there is a *material* change in reported expenditures due to a change in *capitalisation policy*, identify the expenditure categories and quantum of *capex* and *opex* that are affected and explain this in the *basis of preparation*.

LABOUR/NON LABOUR EXPENDITURE

3.7 Workbook 2 – New historical, regulatory template 2.11 instructions:

- (a) only costs allocated to the provision of *standard control services* should be reported in table 2.11.3;
- (b) labour used in the provision of contracts for both goods and services, other than contracts for the provision of labour (i.e. labour hire contracts) must not be reported as labour in table 2.11.3;
- (c) *Australian Distribution Co* must break down its labour data (both employees and labour contracted through labour hire contracts) into the categories provided in table 2.11.3. *Australian Distribution Co* must explain how it has grouped worked into these categories;
- (d) quantities of labour and *labour expenditure* should not be reported multiple times across the *regulatory templates*. However, labour may be split between *regulatory templates* (for example, one worker could have half of their time allocated to *corporate overheads* and half of their time to *network overheads*).

CAPEX - IMMEDIATE EXPENSING

3.8 Workbook 2 – New historical, regulatory template 8.2 instructions:

- (a) *Australian Distribution Co* is to list in table 8.2.7 each *asset class* specified in its current determination as listed in the AER's final decision in its *post-tax revenue model* and enter the *immediate expensing capital expenditure* information against each *asset class*. Further to this, where there is no forecast or actual *immediate expensing capital expenditure* for a specific *asset class* for the *relevant regulatory year*, input the value "\$0".
- (b) *Australian Distribution Co* must explain the main factors driving the difference between the *forecast* and actual *immediate expensing capital expenditure* for tax purposes reported in table 8.2.7, if the difference is equal to or greater than +/- 10 per cent;
- (c) The information entered in table 8.2.4 should include the *capital expenditure* funded by *capital contributions* (i.e. the *capital contributions* should be included in each *asset class' capital expenditure* as a positive value where relevant).

4. Part D: Workbook 3 – STPIS Data Instructions

(Tasmanian distributor only)

- 4.1 Provide the information required in *Workbook 3 – STPIS data*.
- 4.2 When completing *Workbook 3 – STPIS data* apply the definitions used in the AER's November 2009 STPIS.
- 4.3 When completing *Workbook 3 – STPIS data* unrounded data must be provided.

5. Part E: Workbook 4 – Transitional Data Instructions

(Victorian distributors only)

- 5.1 Provide the information required in *Workbook 4 – Transitional data*.
- 5.2 When completing *Workbook 4 – Transitional data* apply:
 - (a) the definitions used in Appendix F; and
 - (b) the instructions for the relevant *regulatory template* and table as set out in this appendix for *Workbook 1 – Annual Reporting*.

APPENDIX F: DEFINITIONS

See attached document