

31 January 2020



Scott Haig
Acting General Manager
Network Finance and Reporting
Australian Energy Regulator
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By email: Vic2021-26@aer.gov.au

Dear Mr Haig

Jemena Electricity Networks (Vic) Ltd: 2021-26 Price Reset – Regulatory Information Notice response

Jemena Electricity Networks (Vic) Ltd (**JEN**) submits its response to the Regulatory Information Notice (**RIN**) that the Australian Energy Regulator (**AER**) served on JEN on 4 October 2019. We have uploaded the response materials to the AER's secure *ourshare* server.

Our response has been developed in accordance with the requirements of the RIN, specifically, in accordance with the requirements of Schedule 2 and also in accordance with the confidentiality requirements as outlined in Schedule 1, paragraph 34.

In addition, we would like to draw the AER's attention to the items listed in Annexure A.

If you have any questions regarding this submission please contact me on (03) 9173 8231 or matthew.serpell@jemena.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Usman".

Usman Saadat
General Manager, Regulation

Copies:

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ANNEXURE A

We wish to draw the AER's attention to the following matters in relation to the regulatory templates which form part of JEN's response to the RIN:

All templates

- Where JEN has redacted confidential information in the public versions of templates and the redacted information forms part of a table for which the template calculates a total, JEN has not modified the structure or formulae in the template. As such, totals calculated in the public versions of the regulatory templates may not be correct.

Workbook 1 – Regulatory determination

- Per communication from the AER's Director Network Finance and Reporting on 11 October 2019, JEN has provided audited telephone answering data in template 6.1 up to 31 December 2018 in this RIN response, and we will provide audited data for the year ended 31 December 2019 at the time we submit our revised regulatory proposal to the AER.
- In template 2.16, JEN has reported values in cells G18 and G24 relating to the period 1 January 2021 to 30 June 2021 only. JEN considers half year values should be provided and the heading for this column should be amended to avoid an overlap between CY21 and FY22.
- In template 2.17, JEN notes that the formulae in row 89 labelled 'Total' do not cover all data provided in table 2.17.5, meaning the totals displayed are incorrect. JEN has not altered these formulae.
- In template 4.1, JEN has reported expenditure for services classified as alternative control services only.
- In template 7.1, JEN has added rows to various sections of this sheet to accommodate additional inputs.
- In template 7.7, JEN has provided information in columns C and D for CY19 and CY20 respectively to align with its Long Run Marginal Cost model. All other information provided in this template is presented on a financial year basis.

Workbooks 8, 9 and 10 – Historical Re-allocation

- In workbooks 8 and 9, some of the information requested has not been previously provided by JEN in its annual CA or ARR RIN responses. JEN has provided this information by applying the re-allocation method set out in the RIN to information contained in Workbook 2 of its RIN response for the following:
 - Workbook 8, template 2.2 – table 2.2.1 (information for 'STAKING WOODEN POLES BY: HIGHEST OPERATING VOLTAGE' only)
 - Workbook 8, template 2.5 – tables 2.5.2 ('EXPENDITURE - STANDARD CONTROL SERVICES' and 'EXPENDITURE - STANDARD CONTROL

SERVICES - CAPITAL CONTRIBUTIONS') and 2.5.3 ('NEW CONNECTIONS - STANDARD CONTROL SERVICES')

- Workbook 8, template 2.6 – table 2.6.5
 - Workbook 8, template 2.10 – tables 2.10.1 and 2.10.2
 - Workbook 8, template 2.11 – table 2.11.3
 - Workbook 9, template 2.11 – table 2.11.3.
- In workbooks 8 and 9, JEN has been unable to populate some of the information requested by the templates due to changes in format of the CA and AR templates between reporting years. JEN has endeavoured to match information across these different template formats (consistent with the RIN's re-allocation instructions), however where it has been unable to calculate a FY value as the average of two CY values it has entered 'Incomplete' into the template. Please note that in some parts of workbook 9 template 8.1 this results in '#VALUE!' errors.
 - In workbook 8 template 2.1, the formulae in row 27 labelled 'TOTAL GROSS CAPEX (includes capcons)' deduct the capital contributions in row 26, meaning the values displayed are net capex. JEN has not altered these formulae.
 - In workbook 8 template 2.2, JEN has added rows to each table in the 'OTHER BY: DNSP DEFINED' sections to accommodate all categories previous reported by JEN in its CA RIN responses.
 - In workbook 9 templates 6.9 (table 6.9.1) and 8.4 (all tables other than 8.4.1.1 and 8.4.2.1), JEN has added rows to accommodate categories.
 - In workbook 9 templates 6.9, 8.2 and 9.5, JEN has entered headings where necessary in some cells which are not formatted as 'inputs'.
 - In workbook 10, JEN notes that there are formulae missing for some years from 'total' rows in template 3.3 (cells Y18:AA18 and Y66:AA66) and template 3.4 (cells M57:O57 and M64:O64). JEN has not altered these cells.

JEN - RIN - Support - Reconciliation Model - 20200131 - Confidential

- This model provides a reconciliation between the regulatory reset models and Workbook 1. This helps meet the requirement of RIN schedule 1 paragraph 1.9.