



# Jemena Electricity Networks (Vic) Ltd

## Response to the Price Reset Regulatory Information Notice

Written Response

Information for the 2021-2026 Regulatory RIN



# 1. Material used for preparing

1.7 Provide material used for the purposes of preparing the *regulatory proposal* including:

- (a) all consultants' reports commissioned and relied upon in whole or in part;

Jemena Electricity Networks (Vic) Ltd (**JEN**) relied on the following consultancy reports in whole or in part:

#	Report Name	Consultancy	Submission File Name
1	Jemena People's Panel Engagement Report	Capire Consulting Group	JEN - Capire Att 02-02 Community consultation report - 20200131 – Public
2	Jemena Small Business Survey Summary	Capire Consulting Group	JEN - Capire Att 02-03 Small business consultation report - 20200131 - Public
3	Reconvening the Jemana People's Panel Engagement Summary	Capire Consulting Group	JEN - Capire Att 02-04 Reconvening the Jemena people's panel - 20200131 - Public
4	Jemena People's Panel Price Reset Timing Update August 2019	Capire Consulting Group	JEN - Capire Att 02-05 People's panel price reset timing update - 20200131 - Public
5	Customer Council's Feedback on Jemena's 2021-25 Electricity Distribution Price Review	Moreland Energy Foundation (now Australian Energy Foundation) on behalf of JEN's customer council	JEN - CustomerCouncil Att 02-06 Customer Council's feedback on Jemena's 2021-25 EDPR - 20200131 - Public
6	JEN Demand Forecasts 2019-2028	Acil Allen Consulting	JEN - Acil Allen Att 05-03 Electricity demand forecasts report - 20200131 - Public
7	AER Repex Modelling – Assessing Jemena's replacement forecast	Nuttall Engineering Consultants Pty Ltd	JEN – Nuttall Consulting Att 05-05 AER repex modelling – 20200131 - Public
8	REFCL Solution Report	WSP	JEN - WSP Att 05-06 REFCL solution report - 20200131 - Confidential
9	Labour Cost Escalation Forecasts to 2025/26	BIS Oxford Economics Pty Limited	JEN - BIS Oxford Economics Att 05-07 Real cost escalation report - 20200131 - Public
10	Update of Jemena's MCR Rates	ENEA Consulting	JEN – ENEA Att 05-10 Update of Jemena's MCR rates – 20200131 - Public
11	Expert opinion on real price escalation	Frontier Economics	JEN - Frontier Att 06-02 Expert opinion on real price escalation - 20200131-Public
12	The cost of arranging debt issues – A Report for Jemena Electricity Networks	Competition Economists Group (CEG)	JEN - CEG Att 06-03 Debt raising transaction costs report - 20200131 - Public

#	Report Name	Consultancy	Submission File Name
13	Insurance Premium Forecast Jemena Electricity Networks (Vic). Ltd. October 2019	AON (Insurnace)	JEN - AON Att 06-06 Insurance premium forecast report - 20200131 - Confidential
14	Seed Advisory, Victorian Electricity Future Forum Report, 20 March 2018	Seed Advisory	JEN – Att 08-02 Tariff structure statement explanatory document - 20200131-Public, Attachment A
15	ACIL Allen, Victorian DNSP vulnerable customer analysis, 20 March 2019	Acil Allen Consulting	JEN – Att 08-02 Tariff structure statement explanatory document - 20200131-Public, Attachment B
16	JWS Research, Electric Vehicles Research Report, September 2019	JWS Research	JEN – Att 08-02 Tariff structure statement explanatory document - 20200131-Public, Attachment C
17	Network pricing options – reflections frm initial customer consultation, September 2018	Capire Consulting Group	JEN – Att 08-02 Tariff structure statement explanatory document - 20200131-Public, Attachment D
18	ZSS Asset Replacement Programs Benchmark Report	AECOM	JEN – AECOM - RIN – Support – ZSS asset replacement programs benchmark report – 20200131 - Public

(b) all *material* assumptions relied upon;

The forecasts prepared in response to the RIN notice issued on 4 Oct 2019 are based on the information available to JEN at the time of compiling our response, which is undertaken as close as practicably to the submission date. Table 1–1 summarises the material assumptions used in the preparation of this RIN response and in the development of JEN’s 2021-26 Regulatory Proposal.

**Table 1–1: Material assumptions and cost category application**

#	Assumption	Operating expenditure	Capital expenditure
1	Inflation forecast	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Input price growth	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Scale or output related growth in operating expenditure	<input checked="" type="checkbox"/>	
4	Operating expenditure productivity	<input checked="" type="checkbox"/>	
5	Base year	<input checked="" type="checkbox"/>	
6	Operating expenditure step changes	<input checked="" type="checkbox"/>	

#	Assumption	Operating expenditure	Capital expenditure
7	Expensing of corporate overheads	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <sup>1</sup>
8	Peak demand and customer numbers forecast	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
9	Capital expenditure forecast		<input checked="" type="checkbox"/>
	- Unit rates and the Value of Customer Reliability ( <b>VCR</b> )		

Further details on the material assumptions are provided in our response to item 1.8.

<sup>1</sup> This has a material impact on capital expenditure to the extent that it represents a departure from historical practices of capitalising corporate overheads. This change is consistent with JEN's cost allocation method approved by the AER which takes effect from 1 January 2021.