

***Attachment 1***

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

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**ISSUED BY**

**THE AUSTRALIAN ENERGY  
REGULATOR**

**Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001**

**NATIONAL ELECTRICITY LAW**  
**DIVISION 4 OF PART 3**  
**REGULATORY INFORMATION NOTICE**  
**TO PROVIDE, PREPARE AND MAINTAIN INFORMATION**

TO: SA Power Networks Ltd  
GPO Box 77  
ADELAIDE SA 5001

The Australian Energy Regulator (**AER**) considers it reasonably necessary for SA Power Networks Ltd (ABN 13 332 330 749) (**SA Power Networks**), being a regulated network service provider for the purposes of section 28D of the *National Electricity Law* (**NEL**) who provides electricity distribution services in South Australia, to provide and to prepare and maintain the information in the manner and form specified in this draft Regulatory Information Notice (**Notice**), which is information the AER requires for the performance or exercise of its functions or powers conferred on it under the NEL or the *National Electricity Rules* (**NER**).

**THE MATTERS THE SUBJECT OF THIS NOTICE**

This **RIN** 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 SA Power Networks for the purposes of the AER to:

1. ~~to~~ publish network service provider performance reports (annual benchmarking reports) the purpose of which are to describe, in reasonably plain language, the relative efficiency of each *Distribution Network Service Provider* in providing *direct control services* over a 12 month period
2. assess benchmark operating expenditure and benchmark capital expenditure that would be incurred by an efficient *Distribution Network Service Provider* relevant to building block determinations
3. ~~to~~ assist the AER determine whether it should exercise its powers to disclose information obtained under this Notice

for the distribution services provided by way of the electricity distribution network SA Power Networks operates in South Australia.

Pursuant to sections 28F(1)(a) of the NEL, the AER requires SA Power Networks to:

- (a) provide the information specified in Schedule 1 to this Notice;
- (b) prepare and maintain the information in the manner and form specified in Schedule 2 to this Notice;
- (c) verify, by way of a statutory declaration, the information specified in this Notice in accordance with Appendix B to this Notice

and deliver the said information electronically to [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au) on or before 5pm Australian

**Comment [ME1]:** Changed to use the defined term.

Eastern Standard Daylight Time or Australian Eastern Standard Time as applicable on:

- i. Friday, 14 February 2014 for information relating to the Initial Regulatory Years
- ii. 31 October (or, if 31 October is not a *Business Day*, the next *Business Day*) of each year *t*, for the information relating to the relevant Subsequent Regulatory Year, where:
  - a. year *t* commences in 2014
  - b. the relevant Subsequent Regulatory Year is the year *t* – 1.

**Explanatory note:** SA Power Networks must provide the information for the 2013 Regulatory Year on Friday, 31 October 2014; the information for the 2014 Regulatory Year on Monday, 2 November 2015; the information for the 2015 Regulatory Year on Monday, 31 October 2016 and so on.

Pursuant to section 28M(e) of the NEL, the information specified in this Notice must be audited in accordance with Appendix C to this Notice. Audited information and the accompanying Audit Report must be delivered electronically to [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au) on or before 5pm Australian Eastern Standard Time on:

- i. Friday, 16 May 2014 for information relating to the Initial Regulatory Years
- ii. 31 October (or, if 31 October is not a *Business Day*, the next *Business Day*) of each year commencing 2014 for information relating to all Subsequent Regulatory Years.

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 in Schedule 2 Appendix D to this Notice.

#### DEFINITIONS AND INTERPRETATION

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

General terms	Definition
AER	Australian Energy Regulatory
Audit Report	An Auditor's report as required by this Notice and in accordance with the requirements set out in Appendix C of this Notice
Audited Statutory Financial Statements	The audited set of financial statements prepared in accordance with the <i>Corporations Act 2001</i> and Australian Accounting Standards
Auditor	A person who satisfies the requirements of paragraph 2 of Appendix C of this Notice
CAM	SA Power Networks's Cost allocation method as approved by the AER
SA Power Networks	SA Power Networks Ltd (ABN 13 332 330 749)
Financial Information	Any Variable in the Microsoft Excel workbook attached at

**Comment [ME2]:** This definition is the same as that for 'Review Report'. Changes should be made to the definitions to clarify the distinction between them.

	Appendix A that is measured in monetary terms
Initial Regulatory Years	The 2003 to 2012 Regulatory Years
NEL	National Electricity Law
NER	National Electricity Rules
Non-financial Information	Any Variable in the Microsoft Excel workbook attached at Appendix A that is not measured in monetary terms
Notice	This draft Regulatory Information Notice
Regulatory Year	Each consecutive period of 12 calendar months in a <i>Regulatory Control Period</i> (under the NER) or equivalent regulatory period under a preceding regulatory framework. The first such 12 month period commences at the beginning of the <i>Regulatory Control Period</i> (or equivalent regulatory period, as the case may be) and the final 12 month period ends at the end of the <i>Regulatory Control Period</i> (or equivalent regulatory period, as the case may be).
Review Report	An Auditor's report as required by this Notice and in accordance with the requirements set out in Appendix C of this Notice
Subsequent Regulatory Years	Looking forward, each Regulatory Year commencing from 2013
Variable	Economic benchmarking variables listed in worksheet 1. <i>Variables and definitions</i> of the Microsoft Excel workbook attached at Appendix A.

**Comment [ME3]:** This definition is the same as that for 'Audit Report'. Changes should be made to the definitions to clarify the distinction between them.

- the terms italicised in this Notice have the same meaning as they do in the NEL or the NER;
- the singular includes the plural and the plural includes the singular; and
- a reference to any corporation, whether expressly identified or not, includes a reference to any representative of that corporation.

Definitions for Variables necessary to provide, prepare and maintain the information in accordance with Schedules 1 and 2 to this Notice are listed in worksheet ' 1. *Variables and definitions*' of the Microsoft Excel workbook attached at Appendix A.

DATED: \_\_\_\_\_

.....  
 Andrew Reeves  
 Chair

## SCHEDULE 1

### REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY LAW ISSUED TO

SA Power Networks Ltd ABN 13 332 330 749

**Note: (a) All answers and information are to be provided in accordance with this Schedule.**

#### 1. PROVIDE INFORMATION

1.1 Provide the information specified in Schedule 2.

1.2 For each Variable

- (a) explain from where the data was obtained (eg. directly from SA Power Networks' internal systems or audited statutory accounts)
- (b) explain the methodology SA Power Networks applied to provide the requested data. This should include an explanation of how the data was derived from other sources (if this was undertaken) and any assumptions that were made in this process.
- (c) provide these explanations in worksheet titled '9. Data sources'.

1.3 If SA Power Networks wishes to make a claim for confidentiality over any information to be provided in accordance with clause 1.1, ~~provide then~~ in the worksheet titled '10. Confidentiality' of the Microsoft Excel Workbook attached at Appendix A ~~reasons, SA Power Networks:~~

- (a) ~~must provide reasons~~ supporting how and why detriment may be caused ~~to it~~ from disclosing the identified information; and
- (b) ~~may, but need not, provide reasons as to why it considers~~ the identified detriment is not outweighed by the public benefit ~~(especially public benefits such as the effect on the long term interests of consumers) in disclosing the information.~~

## SCHEDULE 2

### REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY LAW ISSUED TO

SA Power Networks Ltd ABN 13 332 330 749

**Note: (a)** The information specified in the Excel workbook attached at Appendix A must be verified by way of statutory **noticedeclaration** in accordance with Appendix B to this Notice and audited in accordance with Appendix C to this Notice.

**(b)** Audited information must be provided annually on an ongoing basis.

#### 1. PREPARE INFORMATION

1.1 Prepare information in the manner and form specified in the worksheets in the Microsoft Excel workbook attached at Appendix A (the information) in accordance with the definitions listed in worksheet '1.Variables and definitions' and current regulatory reporting requirements.

1.2 Prepare the information in the manner and form:

- (a) in accordance with the principles and requirements specified at Schedule 1;
- (b) as set out and required in all the worksheets in the Microsoft Excel workbook attached at Appendix A in accordance with:
  - (i) the instructions provided in the worksheet titled '*Instructions*'; and
  - (ii) any additional instructions as provided for in the worksheets;
- (c) which:
  - (i) includes ~~all~~ underlying calculations and formulae, ~~and supporting documentation~~;
  - (ii) is not password protected;
  - (iii) allows for precedents and dependents to be traced;
  - (iv) is capable of a 'copy and paste' function being applied to it;
- (d) is verifiable by the AER, an Auditor or an independent third party upon inspection;
- (e) is readily available for inspection by or submission to the AER;
- (f) that is readily reproducible by the AER with reference to SA Power Networks's data assumptions and source data.

1.3 For the Initial Regulatory Years only, where ~~it is not possible to provide~~ the information for a particular Variable or part of a particular Variable as required by ~~the~~this Notice:

(a) does not exist; or

(b) has not been able to be located by employees of SA Power Networks after the making of reasonable enquiries by those employees given the available time since the date of receipt of this Notice by SA Power Networks,

provide an estimate. Where ~~the information provided is an estimate is provided, use best endeavours to generate the most appropriate estimate and provide the AER with the basis for this estimate and explain why it is the most appropriate estimate ensure it is a reasonable estimate given the nature of the information in respect of which the estimate is given and the available time since the date of receipt of this Notice by SA Power Networks and provide the basis for arriving at that estimate.;~~

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1.4 For each year  $t$ , prepare an updated version of the Microsoft Excel Workbook attached at Appendix A by adding an additional column on each data worksheet with actual data for the relevant Subsequent Regulatory Year in accordance with this Notice and the instructions in the Workbook, where:

(a) year  $t$  commences in 2014; and

(b) the relevant Subsequent Regulatory Year is the year  $t - 1$

(c) actual data means that no values may be estimated unless stated otherwise in a specific worksheet of the Microsoft Excel Workbook at Appendix A.

1.5 Engage a person who satisfies the requirements of paragraph 2 of Appendix C of this Notice to audit the information and prepare an Audit Report in accordance with the requirements of Appendix C of this Notice (except if and to the extent that paragraph 1.2 of Appendix C applies).

## 2. MAINTAIN INFORMATION

2.1 Maintain, from the date of this Notice until further notice:

(a) all information prepared under paragraph 1 of this Schedule 2.

**Comment [ME4]:** This obligation must be removed.

**A P P E N D I X A**

**ECONOMIC BENCHMARKING BACKCAST DATA TEMPLATE**

**See attached Microsoft Excel spreadsheet titled: "*DNBP economic benchmarking data template.xlsx*"**



**A P P E N D I X B**  
**NATIONAL ELECTRICITY (SOUTH AUSTRALIA) LAW**  
**S E C T I O N 2 8 M ( d )**  
**STATUTORY DECLARATION**

## STATUTORY DECLARATION

I, -----  
(Full Name)

of -----  
(Address)

in the State of South Australia -----  
(Occupation)

do solemnly and sincerely declare that:

1. I am an officer, for the purposes of the *National Electricity (South Australia) Law (NEL)*, of SA Power Networks Ltd (ABN 13 332 330 749) (**SA Power Networks**), a regulated network service provider for the purposes of section 28D of the NEL.

2. The response of SA Power Networks regarding the information required to be provided and to be prepared and maintained as specified by the Australian Energy Regulator's (**AER**) Regulatory Information Notice (**Notice**) dated 15 November 2013, is, to the best of my information, knowledge and belief after making reasonable enquiries of relevant employees of SA Power Networks but on the basis that the information may require amendment as the audit required by the Notice is yet to be completed:

(a) in accordance with the requirements of the Notice; and

(b) subject to paragraphs 3 and 4 below, is true and accurate, and in all material respects can be relied upon by the AER to:

(i) ~~prepare and publish a network service provider performance report (an annual benchmarking report) the purpose of which is to describe, in reasonably plain language, the relative efficiency of each Distribution Network Service Provider in providing direct control services over a 12 month period; and~~

(ii) ~~to assess benchmark operating expenditure and benchmark capital expenditure that would be incurred by an efficient Distribution Network Service Provider relevant to building block determinations; and,~~

in respect of the distribution services provided by way of the electricity distribution network SA Power Networks operates in South Australia.

3. ~~(c) where it is not possible to provide the particular information required by the Notice either;~~

(a) does not exist; or

(b) was not able to be located by employees of SA Power Networks after the making of reasonable enquiries by those employees given the available time since the date of receipt of the Notice by SA Power Networks.

~~I have provided an estimate~~ has been provided.

4. ~~Where the information an estimate has been provided is an estimate, I have used my best endeavours to generate the most appropriate;~~

(a) it is a reasonable estimate, given the nature of the information in respect of which the estimate has been given and the available time since the date of receipt of the Notice by SA Power Networks; and

(b) ~~have the AER has been provided the AER with the basis for this arriving at that estimate and reasons why it is the most appropriate estimate.~~

**Comment [ME5]:** Note – SA Power Networks' position is that a statutory declaration should not be required at all when audited information is to be provided.

The changes made to this statutory declaration have been made to indicate the minimal changes that we assume an officer would require if we were to be compelled to have a declaration sworn ahead of audited information being provided to the AER.

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**Comment [ME6]:** Wording moved up from its previously location.

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~~in respect of the distribution services provided by way of the electricity distribution network SA Power Networks operates in South Australia.~~

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act, 1936-1969.

Signature-----

Declared and subscribed at

-----

in the said State by the said-----

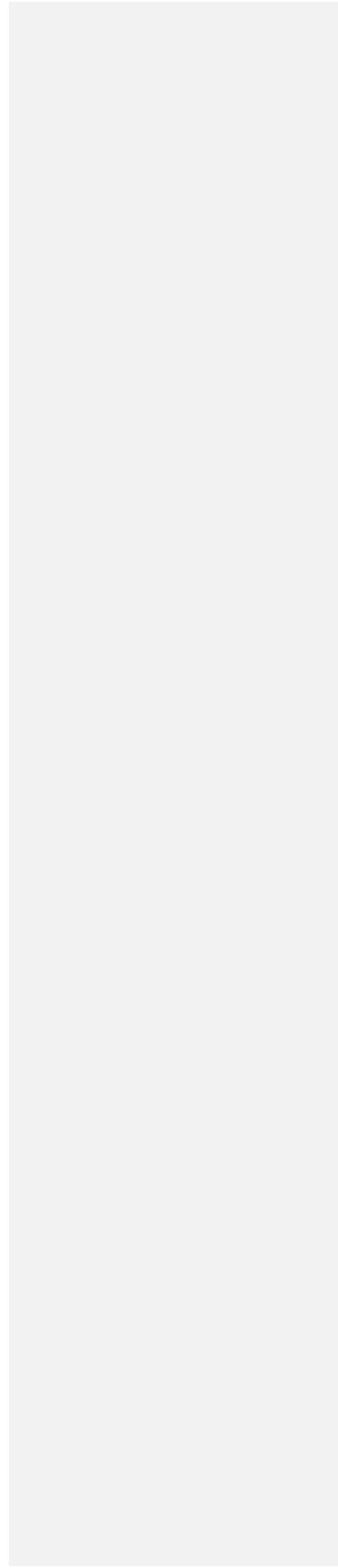
this----- day of -----, 20-----

Before me:

----- J.P

Note— This Declaration must be signed before a Justice of the Peace, a Commissioner for Taking Affidavits, or a Notary Public.

Any alteration made must be initialled by both the applicant and the Justice of the Peace.



**APPENDIX C**  
**NATIONAL ELECTRICITY LAW**  
**SECTION 28M(e)**  
**AUDIT REQUIREMENTS**

**1. INFORMATION SUBJECT TO INDEPENDENT AUDIT**

1.1 The information subject to independent audit is the:

- (a) Financial Information in worksheets titled '2. Revenue', '3. Opex' and '4. Assets (RAB)' in the Microsoft Excel Workbook attached in Appendix A ("*DNISP economic benchmarking data template.xlsx*") that is derived from **actual** historical financial data retained by SA Power Networks;
- (b) Financial Information in worksheets titled '2. Revenue', '3. Opex' and '4. Assets (RAB)' in the Microsoft Excel Workbook attached in Appendix A ("*DNISP economic benchmarking data template.xlsx*") that is derived from **estimated** historical financial data (based on reasonable management judgement and assumptions) where SA Power Networks certifies that ~~it is not possible to provide~~ actual historical information does not exist or has not been able to be located by employees of SA Power Networks after the making of reasonable enquiries by those employees given the available time since the date of receipt of this Notice by SA Power Networks; and
- (c) Non-financial Information in worksheets titled '2. Revenue', '3. Opex', '4. Assets (RAB)', '5. Operational data', '6. Physical assets', '7. Quality of services', '8. Environmental factors' and '9. Data sources' of the Microsoft Excel Workbook in Appendix A ("*DNISP economic benchmarking data template.xlsx*") that is derived from either:
  - a. **actual** historical data retained by SA Power Networks; or
  - b. **estimated** historical data (based on reasonable management judgement and assumptions) where SA Power Networks certifies that ~~it is not possible to provide~~ actual historical information does not exist or has not been able to be located by employees of SA Power Networks after the making of reasonable enquiries by those employees given the available time since the date of receipt of this Notice by SA Power Networks.
- (d) In respect of the Non-financial Information, review of the processes and procedures used and the systems applied to provide, prepare and maintain the information for the purposes of the AER requirements.

1.2 In reference to the above, if SA Power Networks has previously provided audited financial, or non-financial, data or information to the AER in response to a Regulatory Information Instrument to the standard required by this Notice, it is not necessary for this data or information to be audited again. This fact would need to be confirmed and documented in response to ~~the~~this Notice. However, if this previously audited and Regulatory Information Notice under Division 4 of Part 3 of the National Electricity Law

supplied data or information is disaggregated for the purposes of this Notice, the disaggregated data or information and reconciliation with the previously audited and supplied data or information must be audited.

## 2. CLASS OF PERSON TO CONDUCT AUDITS

2.1 The audit information referred to in paragraph 1.1 must be audited by one or more persons, each of whom:

(a) is independent from SA Power Networks and all of its related bodies corporate—not a principal, member, shareholder, officer, or employee of SA Power Networks or its related entities;

(b) is:

(i) in the case of Financial Information, 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)~~(ii) in the case of Non-financial Information, an 'assurance practitioner' as defined in ASAE 3000 Assurance engagements other than audits or reviews of historical financial information;

(c) is appointed for the purposes of expressing an opinion or conclusion on the relevant audit and/or review requirements outlined in detail in paragraph 3;

(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 or customer service (as applicable);

(f) understands the procedures and methodologies underlying the relevant data and the AER's relevant definitions for all information relevant to the audit and/or review; and

(g) if necessary, is available to discuss issues relating to the relevant audits and / or review with SA Power Networks and the AER, including where an Audit Report or Review Report is critical of, or highlights deficiencies in, ~~the~~ audited Financial Information and/or Non-financial Information.

2.2 The audit and review requirements referred to in this Appendix must be conducted in compliance with the relevant Australian Auditing Standards or Standards on Assurance Engagement (as applicable).

## 3. AUDIT REQUIREMENTS

3.1 The audit of **actual** historical Financial Information referred to in paragraph 1.1(a) must:

(a) comply with the Auditing Standard ASA 805 *Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*;

(b) assess and verify whether the information:

(i) has been captured for the entire time period required;

**Comment [ME7]:** This paragraph (b) has been 'split' to allow for someone other than an accountant to audit Non-financial Information. The other changes made to paragraphs 2 and 3 relate to this 'split'.

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- (ii) has been derived from actual historical information and can be directly reconcilable to the Audited Statutory Financial Statements of SA Power Networks;
- (iii) is complete and accurate in all material respects;
- (iv) is prepared consistent with the requirements of ~~the~~this Notice; and
- (v) has been prepared in a manner consistent with SA Power Networks' ~~e~~ CAM~~s~~;

- (c) the Audit Report must include an opinion as to whether:
  - (i) the Financial Information has been derived from actual historical data and can be reconciled to the Audited Statutory Financial Statements of SA Power Networks;
  - (ii) the Financial Information provided is presented fairly in accordance with the requirements of the eis Notice;
  - (iii) the Financial Information provided is prepared in a manner consistent with SA Power Networks's CAM;
  - (iv) where non-compliance with the eis Notice ~~or~~ has arisen, modification in respect of this.
- (d) The Audit Report must be in a form able to be published by the AER.
- (e) The Audit Report is to be provided to the AER no later than 5pm AEST on:
  - (i) Friday, 16 May 2014 for information relating to the Initial Regulatory Years; and
  - (ii) 31 October (or, if 31 October is not a *Business Day*, the next *Business Day*) of each year commencing 2014 for information relating to all Subsequent Regulatory Years.

3.2 The review of ~~the~~ **estimated** historical Financial Information referred to in paragraph 1.1(b) must:

- (a) comply with the ASAE 3000 *Assurance engagements other than audits or reviews of historical financial information*;
- (b) assess:
  - (i) the validity of the certification by SA Power Networks that ~~it was not possible to provide~~ actual information does not exist or has not been able to be located by employees of SA Power Networks after the making of reasonable enquiries by those employees given the available time since the date of receipt of this Notice by SA Power Networks and hence estimates have been provided;
  - (ii) that the estimated historical Financial Information has been derived based on reasonable management judgement and assumptions and is ~~the most appropriate~~ a reasonable estimate of the information required given the nature of the information in respect of which the estimate is given and the available time since the date of receipt of this Notice by SA Power Networks;
  - (iii) that the estimated historical data has been captured for the entire time period required;
  - (iv) that the estimated historical data is prepared consistent with the requirements of the eis Notice; and
  - (v) that the estimated historical data has been prepared in a manner

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consistent with SA Power Networks's CAM.

- (c) the Review Report must include a conclusion in respect of:
- (i) the reasons why the historical Financial Information has been provided on an estimated basis;
  - (ii) the appropriateness of the data estimated, based on all available information required;
  - (iii) the reasonableness of the methodology and underlying assumptions used to derive the estimates;
  - (iv) compliance with all parts of the eis Notice, and where non-compliance has arisen, modification in respect of this; and
  - (v) data being provided is prepared in a manner consistent with SA Power Networks's CAM and where non-compliance has arisen, modification in respect of this.
- (d) The Review Report must be in a form able to be published by the AER.
- (e) The Review Report is to be provided to the AER no later than 5pm AEST on:
- (i) Friday, 16 May 2014 for information relating to the Initial Regulatory Years; and
  - (ii) 31 October (or, if 31 October is not a *Business Day*, the next *Business Day*) of each year commencing 2014 for information relating to all Subsequent Regulatory Years.

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3.3 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*;
- (b) assess:
  - (i) that the Non-financial Information has been captured for the entire time period required;
  - (ii) where actual data is provided, that it is complete and accurate, and can be directly reconcilable to systems maintained by SA Power Networks; and
  - (iii) where estimated:
    - the validity of the certification by SA Power Networks that ~~it was not possible to provide~~ actual information does not exist or has not been able to be located by employees of SA Power Networks after the making of reasonable enquiries by those employees given the available time since the date of receipt of this Notice by SA Power Networks and hence estimates have been provided;
    - that the estimated historical Non-financial Information has been derived based on reasonable management judgement and assumptions and is ~~the most appropriate~~ reasonable estimate of the information required given the nature of the information in respect of which the estimate is given and the available time since the date of

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receipt of this Notice by SA Power Networks; and

- (iv) that the Non-financial Information has been prepared consistent with the requirements of ~~the~~is Notice.
- (c) the Review Report must include a conclusion in respect of:
- (i) whether the non-financial data has been derived from actual historical data or has been estimated;
  - (ii) where based on actual historical data, the accuracy and completeness in all material respects of that data;
  - (iii) where estimated:
    - the reasons why the historical non-financial data has been provided on an estimated basis;
    - the appropriateness of the data estimated, based on all available information retained;
    - the reasonableness of the methodology and underlying assumptions used to derive the estimates; and
  - (iv) compliance with all parts of ~~the~~is Notice, and where non-compliance has arisen, any modification in respect of this.
- (d) The Review Report must be in a form able to be published by the AER.
- (e) The Review Report is to be provided to the AER no later than 5pm AEST on:
- (i) Friday, 16 May 2014 for information relating to the Initial Regulatory Years; and
  - (ii) 31 October (or, if 31 October is not a *Business Day*, the next *Business Day*) of each year commencing 2014 for information relating to all Subsequent Regulatory Years.

3.4 The review of processes, procedures used and systems applied to provide, prepare and maintain ~~the~~ Non-financial Information for the purposes of AER requirements referred to in paragraph 1.1 (d) must:

- (a) comply with the ASAE 3000 *Assurance engagements other than audits or reviews of historical financial information*;
- (b) assess:
  - (i) the reliability of the processes, procedures used and the systems applied to provide, prepare and maintain the information;
  - (ii) whether the processes, procedures and systems were correctly used and applied by the relevant staff to prepare, provide and maintain the information;
  - (iii) whether the systems are able to prepare and provide the required parameter definitions and data exclusions in accordance with the AER's requirements;
  - (iv) whether the systems are able to competently identify and correct errors

and whether the information referred to in paragraph 1.1(b) reflects any such corrections;

- (v) whether the processes, procedures, or systems provide any missing information or unusual trends that suggest errors in information entry or manipulation.
- (c) the Review Report must include a conclusion in respect of:
- (i) the reliability of the processes, procedures used and the systems applied to provide, prepare and maintain the information;
  - (ii) whether the processes, procedures and systems were correctly used and applied by the relevant staff to prepare, provide and maintain the information;
  - (iii) whether the systems were able to prepare and provide the required parameter definitions and data exclusions in accordance with the AER's requirements;
  - (iv) whether the systems were able to competently identify and correct errors and whether the information referred to in paragraph 1.1(c) reflects any such corrections; and
  - (v) whether the processes, procedures, or systems resulted in any missing information or unusual trends that suggest errors in information entry or manipulation.
- (d) The Review Report must be in a form able to be published by the AER.
- (e) The Review Report is to be provided to the AER no later than 5pm AEST on:
- (i) Friday, 16 May 2014 for information relating to the Initial Regulatory Years; and
  - (ii) 31 October (or, if 31 October is not a *Business Day*, the next *Business Day*) of each year commencing 2014 for information relating to all Subsequent Regulatory Years.

**APPENDIX D**  
**NATIONAL ELECTRICITY 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.

Under clause 6.27 of the NER, the AER must prepare and publish an annual benchmarking report to describe the relative efficiency of each *Distribution Network Service Provider* in providing *direct control services* over a 12 month period. Under clauses 6.5.6 and 6.5.7 of the NER, the AER must have regard to benchmarking operating expenditure and benchmarking capital expenditure when assessing these types of expenditure.

Accordingly, the AER needs to obtain detailed information relating to SA Power Networks and its regulated electricity network services. Refer to the AER's Better Regulation Draft Expenditure Forecast Assessment Guidelines for electricity transmission and distribution for detailed information on how the AER will apply economic benchmarking and the reasons for the data to be provided in Appendix B.

The AER considers that the information and documents that it receives in response to this Notice will enable it to perform its functions under chapter 6 of the NER.