

Attachment 2

SA Power Networks comments on Economic Benchmarking Template

SA Power Networks makes the following comments with respect to the Economic Benchmarking Template which accompanied the Draft RIN issued on 18 September 2013.

(a) **2. Revenue and 5. Operational Data**

The AER assumed responsibility for the regulation of SA Power Networks' pricing and revenue in 2010 and required the audit of annual pricing proposals from 2010/11 onwards. The 2010/11 proposal included audited data for 2008/09 sales. Consequently, SA Power Networks can provide audited revenue and energy data since 2008/09. Prior to 2008/09, SA Power Networks can provide historical data which we believe to be accurate from ESCOSA-approved pricing proposals but we have not maintained source data for these proposals. Therefore it would be extremely difficult to provide assurance against some historical data on revenue and energy.

(b) **2.1 Revenue grouping by chargeable quantity**

SA Power Networks employs a variety of tariffs that use different times of the day and week. Due to fundamentally different pricing structures, our business cannot respond to the simple classifications in the template (ie On-Peak, Shoulder and Off-Peak).

(c) **4. Regulated Asset Base (RAB)**

A reconciliation of the RAB is not possible based on the information currently reported in the annual RIN responses. The AER last determined SA Power Networks' RAB on 1 July 2010 using Version 01 of the 'Electricity Distribution Network Service Providers Roll Forward Model', dated 26 June 2008. In order to reconcile the RAB categories in the template to an approved basis we require confirmation as to whether this model is still appropriate. Alternatively, as a matter of urgency, the AER would need to provide SA Power Networks with a reconciliation of RAB movements by asset category for each regulatory year since 1 July 2010. Without such clarification, RAB values cannot be determined and audited.

(d) **5.1 Energy delivery**

SA Power Networks can calculate annual export of energy (GWh) from small embedded photovoltaic generation with type 6 meters, however no time of use information can be provided as requested in the template.

(e) **5.3 System Demand**

Prior to 2012/13, SA Power Networks did not calculate non-coincident 10% and 50% PoEs at both the terminal station and zone substation levels. Therefore we can only provide data for these categories from 2012/13 onwards.

The following coincident peak demand measures are requested in the template at both the zone substation and terminal station levels:

- Coincident Raw System Annual Peak Demand,
- Coincident Weather Adjusted System Annual Peak Demand 10% POE, and
- Coincident Weather Adjusted System Annual Peak Demand 10% POE.

SA Power Networks only measures coincident peak demand at a system-wide terminal station level and then only in MW (and not MVA).

(f) **7.1 Reliability**

Prior to 2005/06, low voltage outages were not included in the SAIDI and SAIFI data. Therefore, this data is not comparable with data reported from 2005/06 onwards which includes low voltage outages. Further, jurisdictional definitions for reliability differ and therefore direct comparisons are misleading.

(g) **8.2 Terrain Factors**

SA Power Networks seeks more detailed guidance on how to measure 'standard vehicle access' as defined in the template.

Secondly, the template requests data on the percentage of lines in high bushfire risk areas (HBFRA). SA Power Networks notes there are different definitions of HBFRA in different states. Therefore, the different definitions of bushfire risk areas used across different states will need to be reconciled to ensure consistency in any benchmarking analysis.