

6 May 2022

Dr Kris Funston
Executive General Manager, Networks Regulation
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Dear Kris

RE Network Information Requirements Review

The information provided to the Australian Energy Regulator (**AER**) by regulated network businesses makes an important contribution to the AER's revenue and price determinations, along with the reports the AER publishes every year on the performance of regulated networks. TasNetworks appreciates the opportunity to make a submission to the AER as part of the AER's review of the information it collects from and about regulated electricity networks. We note that Energy Networks Australia (**ENA**) has also prepared a submission to the AER in relation to the Review and TasNetworks endorses the comments made by the ENA. At a time of such significant change within the energy sector, TasNetworks welcomes the Network Information Requirements Review and its focus on ensuring that the information collected from regulated electricity networks in the future is robust, accessible and fit for purpose.

As the AER notes in its Discussion Paper, the current processes for gathering regulatory information from networks are not contemporary and involve duplication, which only adds to the effort required of network businesses to complete Regulatory Information Notices (**RIN**). TasNetworks agrees with the AER that there is a need to streamline the means by which the AER gathers information from regulated network businesses, as well as the means by which that information is made available to stakeholders, including network businesses.

TasNetworks supports the proposed removal of the obligation to publish a transmission information guideline, as this information can be efficiently provided under the current RIN process or, presumably, using a regulatory information order. We also support the AER's goals of eliminating duplication and redundant data requirements from future consultation templates and, to that end, would be supportive of the information currently gathered from transmission networks through their regulatory accounts being incorporated into an information notice. Ultimately the costs of providing information is borne by consumers and TasNetworks supports all measures to reduce this burden.

TasNetworks is also supportive of the AER's proposal to conduct comprehensive reviews of the information it collects on a fixed cycle. The amount of information that regulated networks are asked to provide is considerable, but it is not always clear how the data is being used. Transparent reviews of the data collected and the end uses to which it is applied would be of significant benefit in ensuring that only data that the AER needs for its decision making and reporting is gathered, and that the information networks provide is fit for the end use purpose. In addition, it is essential however, that the information

requests used by the AER continue to cater for different jurisdictional arrangements, such as the classification of distribution feeders in Tasmania.

The reviews should also consider the need for the ongoing provision of non-data elements including information on for example, corporate structure, cost allocation and regulatory accounting principles and policies. In addition, for new data requirements we would encourage careful consideration in relation to back-cast data requirements, the provision of which currently adds considerably to the cost of responding to RINs. We consider that the process for adding new information to templates (and removing information from templates) is something that is best undertaken collaboratively between the AER and the networks it regulates. The consultation process utilised by the AER to develop metrics to measure the performance of networks in hosting Distributed Energy Resources demonstrates the merit and effectiveness of such an approach.

One of the drivers of that cost of collecting network data is the independent auditing of information networks provide to the AER. With increased guidance from the AER regarding data requirements and data validation rules, there is an opportunity to reduce the cost of independent auditing without compromising the validity of the information provided. Whilst TasNetworks supports the ongoing requirement for information submitted to be independently audited there is an opportunity to review the level of assurance required. For example the reasonable assurance audit provided for 'actual financial information' could be replaced with a limited assurance audit, reducing overall costs to consumers whilst maintaining a robust independent audit of information provided. In addition, audit requirements could be removed entirely in cases where data is estimated, or following the introduction of previously uncollected information requirements. In these instances, information assurance could be provided via in the form of a statutory declaration.

TasNetworks acknowledges the potential for efficiencies to be gained through modernising the current RIN information exchange processes. Any changes made to the processes for gathering and publishing data about regulated networks, whether it be the development of a web-based portal or other IT system, need to be made with an eye to the cost of those changes. With that in mind, TasNetworks welcomes the AER's commitment that any new regulatory instruments and data exchange systems will not impose significant information technology and communications costs on regulated networks.

Once again, thank you for the opportunity to contribute to the AER's Network Information Requirements Review. We look forward to continuing to work with the AER on improving the quality of the information the AER gathers from regulated networks and the processes used to collect that information. To discuss the views expressed in this letter, please contact William Godwin, Revenue and Economic Regulation Team Leader, at [REDACTED]

Yours sincerely

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Chantal Hopwood

Leader Regulation