

Essential Energy

1.05 Compliance Checklist to the National Electricity Rules

November 2023



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Purpose and context

Our Revised Regulatory Proposal comprises a suite of documents that provides information required under the National Electricity Rules (NER). This includes:

- > An overview of our 2024–29 Revised Regulatory Proposal (Revised Proposal) and associated Tariff Structure Statement (Revised TSS) documents
- > A Revised Proposal document which sets out information required under the NER
- > A Revised TSS which sets out information required under the NER
- > Supporting attachments to substantiate our Revised Proposal and Revised TSS
- > Confidentiality templates which identify the page and paragraph number of the documents containing confidential information

The purpose of this document is to provide a reference table which identifies where we have provided information or addressed matters required by the NER, in our suite of documents that comprise our Revised Proposal.

Reference table

The reference table below highlights:

- a. the NER provisions that require a determination from the AER
- b. states whether the AER's Draft Decision was to approve or reject, distinguishing between:
 - i. rejections on minor grounds or which may not require a revised proposal; and
 - ii. rejections on more substantive grounds; and
- c. provides a reference to where Essential Energy has addressed that matter in the Revised Proposal or in the attachments.

We have made it clear where we intend to rely on information previously provided to the AER as part of our January 2023 Regulatory Proposal.

Table 1: Reference table for Rules Compliance

NER clause	Obligation	AER Draft Decision	Reference to Revised Proposal document
5A.E.1	The connection policy prepared must comply with the connection charge principles	Rejected and amended connection policy (Attachment 18)	Attachment 8.02 – Updated Connection Policy
6.3.1(c)(1)	The building block proposal must be prepared in accordance with the post-tax revenue model and other relevant requirements of this Part.	Updated for WACC and CPI	Chapter 3 – Our revenue requirement Attachments 3.02 to 3.04 Attachments 11.02 to 11.04
6.3.1(c)(3)	The building block proposal must be prepared in accordance with Schedule 6.1.	Updated for WACC and CPI	Please refer to responses below to address schedule 6.1
6.4B.2(a)	A Distribution Network Service Provider may request an asset exemption from the AER in respect of a specific asset or class of asset by submitting a written request in accordance with this Chapter (an Exemption application)	N/A (no proposal)	N/A

6.5.1(a)	The regulatory asset base for a distribution system owned, controlled or operated by a Distribution Network Service Provider is the value of those assets that are used by the Distribution Network Service Provider to provide standard control services, but only to the extent that they are used to provide such services.	Accepted but updated for CPI (Attachment 2)	Chapter 3 – Our revenue requirement
6.5.2	The return on capital for a Distribution Network Service Provider for a regulatory year is to be calculated using the NER specified formula.	Attachment 3 - 2022 Rate of Return Instrument applied with updated placeholder rates	Chapter 3 – Our revenue requirement Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.04 – Metering post-tax revenue model (PTRM)
6.5.3	The estimated cost of corporate income tax of a Distribution Network Service Provider for each regulatory must be estimated in accordance with the NER specified formula.	Not accepted (Attachment 7) Lower than proposal mainly due to calculating a lower regulatory depreciation amount	Chapter 3 – Our revenue requirement Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.04 – Metering post-tax revenue model (PTRM)
6.5.5(a)	The depreciation for each regulatory year must be calculated as specified in the NER.	Not accepted (Attachment 4) mainly due to updated inflation	Chapter 3 – Our revenue requirement Attachment 3.03 – RFM depreciation tracking module Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.03 – Metering RFM depreciation tracking model Attachment 11.04 – Metering post-tax revenue model (PTRM)
6.5.5(b)	The depreciation schedules referred to in paragraph (a) must conform to the specified requirements in the NER.	Not accepted (Attachment 4)	Chapter 3 – Our revenue requirement Attachment 3.03 – RFM depreciation tracking module Attachment 3.04 – Standard control post-tax revenue model (PTRM)
6.5.6(a)	A building block proposal must include the total forecast operating expenditure for the relevant regulatory control period which the Distribution Network Service Provider considers is required in order to achieve each of the operating expenditure objectives.	Accepted (Attachment 6)	Chapter 3 – Our revenue requirement Chapter 7 – Operating expenditure
6.5.6(b)(1)	The forecast of required operating expenditure of a Distribution Network Service Provider that is included in a building block proposal must comply	N/A	N/A

	with the requirements of any relevant regulatory information instrument.		
6.5.6(b)(2)	The forecast of required operating expenditure of a Distribution Network Service Provider that is included in a building block proposal must be for expenditure that is properly allocated to standard control services in accordance with the principles and policies set out in the Cost Allocation Method for the Distribution Network Service Provider.	Accepted (Attachment 6)	Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 7 – Operating expenditure Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.04 – Metering post-tax revenue model (PTRM) Attachment 10.02 – Standardised Ancillary Network Services Model Attachment 11.01 – Standardised Metering Capex and Opex Model Attachment 10.06 – Public lighting model
6.5.6(b)(3)	The forecast of required operating expenditure of a Distribution Network Service Provider that is included in a building block proposal must include both: (i) the total of the forecast operating expenditure for the relevant regulatory control period; and (ii) the forecast operating expenditure for each regulatory year of the relevant regulatory control period.	Accepted (Attachment 6)	Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 1 – Overview Chapter 3 – Our revenue requirement Chapter 7 – Operating expenditure
6.5.6(e)	The operating expenditure should address the operating expenditure factors	Accepted (Attachment 6)	Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 3 – Our revenue requirement Chapter 7 – Operating expenditure Attachment 7.02 – Labour escalator forecasts Chapter 8 – Capital expenditure Attachment 2.01 – Engagement outcomes
6.5.7(a)	A building block proposal must include the total forecast capital expenditure for the relevant regulatory control period which the Distribution Network Service Provider considers is required in order to achieve each of the capital expenditure objectives.	Accepted (Attachment 5)	Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 1 – Overview Chapter 3 – Our revenue requirement Chapter 8 – Capital expenditure
6.5.7(b)(1)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must comply	N/A	N/A

	with the requirements of any relevant regulatory information instrument.		
6.5.7(b)(2)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must be for expenditure that is properly allocated to standard control services in accordance with the principles and policies set out in the Cost Allocation Method for the Distribution Network Service Provider.	Accepted (Attachment 5)	Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 8 – Capital expenditure Chapter 11 – Metering services Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 10.02 – Standardised Ancillary Network Services Model Attachment 11.01 – Standardised Metering Capex and Opex Model Attachment 10.06 – Public lighting model
6.5.7(b)(3)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must include both: (i) the total of the forecast capital expenditure for the relevant regulatory control period; and (ii) the forecast capital expenditure for each regulatory year of the relevant regulatory control period; and	Accepted (Attachment 5)	Chapter 1 – Overview Chapter 3 – Our revenue requirement Chapter 8 – Capital expenditure Chapter 11 – Metering Services
6.5.7(b)(4)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must identify any forecast capital expenditure for the relevant regulatory control period that is for an option that has satisfied the regulatory investment test for transmission or the regulatory investment test for distribution (as the case may be).	N/A	Rely on information provided with our 31 January 2023 Proposal
6.5.7(b)(5)	The forecast of required capital expenditure of a Distribution Network Service Provider that is included in a building block proposal must not include expenditure for a restricted asset, unless an exemption is proposed or has been granted by the AER.	N/A	Rely on information provided with our 31 January 2023 Proposal
6.5.7 (e)	The capital expenditure should address the capital expenditure factors		Rely on information provided with our 31 January 2023 Proposal, plus Chapter 3 – Our revenue requirement components Chapter 7 – Operating expenditure Attachment 7.02 – Labour escalator forecasts

			Chapter 8 – Capital expenditure Chapter 11 – Metering services Attachment 2.01 – Summary of engagement outcomes
6.5.10	A building block proposal may include a proposal as to the events that should be defined as pass through events under clause 6.6.1(a1)(5) having regard to the nominated pass through event considerations.	(Attachment 15) AER rejected pass through events for major cyber. Four other pass through events were accepted.	Chapter 6 – Framework and approach Chapter 5 – Future challenges Attachment 6.04 – Pass through event proposal (new nominated pass through event for bushfire risk reclassification)
6.6A.1 (a)	A regulatory proposal may include proposed contingent capital expenditure, which the Distribution Network Service Provider considers is reasonably required for the purpose of undertaking a proposed contingent project.	N/A	N/A
6.6A.1 (a1)	Proposed contingent capital expenditure that is included in a regulatory proposal of a Distribution Network Service Provider must not include expenditure for a restricted asset, unless that Distribution Network Service Provider has submitted an exemption application with the regulatory proposal, which requests an asset exemption under clause 6.4B.1(a)(2) in respect of that asset or class of asset for the contingent project.	N/A	N/A
6.7A	Preparation of a connection policy for the regulatory proposal	Rejected and amended connection policy (Attachment 18)	Chapter 8 – Capital expenditure Attachment 4.01 – Stand Alone Power Systems supporting information Attachment 8.02 – Connection Policy
6.7.5	Preparation of a negotiation framework for the regulatory proposal	Accepted	Rely on information provided with our 31 January 2023 Proposal
6.8.1A	Notification of approach to forecasting expenditure	N/A	N/A
6.8.2 (a), (a1), (b)	A Distribution Network Service Provider must submit to the AER a regulatory proposal, a proposed tariff structure statement related to the distribution services provided by means of, or in connection with, the Distribution Network Service Provider's distribution system and an exemption application if applicable.	Not approved (Attachment 19)	Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in 2024–29 Revised Regulatory Proposal Attachment 9.01 – Revised Tariff Structure Statement
6.8.2 (c)(1)	A regulatory proposal must include a classification proposal.	Accepted (Attachment 13) but noted that Essential Energy may have amendments in its Revised	Chapter 6 - Framework and approach

		Proposal to reflect changes from ongoing internal and external processes.	Attachment 6.01 – Classification of Services
6.8.2 (c)(2)	A regulatory proposal must include, for direct control services classified under the proposal as standard control services – a building block proposal.		Chapter 3 – Our revenue requirement Chapter 6 Framework and approach Chapter 7 – Operating expenditure Chapter 8 – Capital expenditure Chapter 11 – Metering services
6.8.2 (c)(3)	A regulatory proposal must include, for direct control services classified under the proposal as alternative control services – a demonstration of the application of the control mechanism, as set out in the framework and approach paper, and the necessary supporting information.		Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 6 Framework and approach
6.8.2 (c)(5)	A regulatory proposal must include, for services classified under the proposal as negotiated distribution services, a proposed negotiating framework.	Accepted (Attachment 17)	Rely on information provided with our 31 January 2023 Proposal
6.8.2 (c)(5A)	A regulatory proposal must include the proposed connection policy.	Rejected and amended connection policy (Attachment 18)	Chapter 8 – Capital expenditure Attachment 8.02 – Connection Policy
6.8.2 (c)(6)	A regulatory proposal must include an identification of any parts of the regulatory proposal the Distribution Network Service Provider claims to be confidential and wants suppressed from publication on that ground in accordance with the Distribution Confidentiality Guidelines.		Attachment 1.04 – Confidentiality claims
6.8.2 (c) (7)	A regulatory proposal must include a description of how the proposed tariff structure statement complies with the pricing principles for direct control services.	Not approved (Attachment 19)	Attachment 9.01 - Revised Tariff Structure Statement Attachment 9.02 - Revised Tariff Structure Explanatory Statement
6.8.2 (c1)	The regulatory proposal must be accompanied by an overview paper in reasonably plain language which includes each of the following matters: (1) a plain language summary (2) a description of how we engaged with customers and other stakeholders and sought to address concerns (3) a summary of how we identified and provided for demand from distributed energy resources (DER) and consumer energy resources (CER) (4) a summary of other approaches considered to address that demand		Rely on information provided with our 31 January 2023 Proposal

	<p>(5) a description of the key risks and benefits for customers</p> <p>(6) a comparison of our current and proposed revenues</p> <p>(7) a comparison of our current and proposed capital expenditure to provide for DER and CER.</p>		
6.8.2 (c2)	The regulatory proposal must be accompanied by information required by the Expenditure Forecast Assessment Guidelines as set out in the framework and approach paper.	Some items not approved for ANS and Public Lighting (Attachment 16)	Rely on information provided with our 31 January 2023 Proposal and Revised Proposal Attachments 10.01 and 10.05
6.8.2 (d)	The regulatory proposal must comply with the requirements of, and must contain or be accompanied by the information required by any relevant regulatory information instrument.		Rely on information provided with our 31 January 2023 Proposal
6.8.2 (d1)	The proposed tariff structure statement must be accompanied by an indicative pricing schedule.		<p>Attachment 9.04 - Network Use of System (NUoS) pricing schedule</p> <p>Attachment 9.05 - Public Lighting (SLUoS) pricing schedule</p> <p>Attachment 9.06 - Ancillary Network Services pricing schedule</p>
6.15.1	A Distribution Network Service Provider must comply with the Cost Allocation Method that has been approved in respect of that provider from time to time by the AER under this rule 6.15.		Rely on information provided with our 31 January 2023 Proposal
6.15.2	The Cost Allocation Method used must comply with the Cost Allocation Principles		Rely on information provided with our 31 January 2023 Proposal
6.18.1A (a)(1)	A tariff structure statement of a Distribution Network Service Provider must include the tariff classes into which retail customers for direct control services will be divided during the relevant regulatory control period.	Approved (Attachment 19)	<p>Attachment 9.01 – Revised Tariff Structure Statement</p> <ul style="list-style-type: none"> • Chapters 2 and 4 • Appendix B
6.18.1A (a)(2)	A tariff structure statement of a Distribution Network Service Provider must include the policies and procedures the Distribution Network Service Provider will apply for assigning retail customers to tariffs or reassigning retail customers from one tariff to another (including any applicable restrictions).	Approved (Attachment 19)	<p>Chapter 9 – Our approach to pricing</p> <p>Attachment 9.01 – Revised Tariff Structure Statement</p> <ul style="list-style-type: none"> • Chapter 5 • Appendix B
6.18.1A (a)(2A)	A tariff structure statement must include a description of the strategy or strategies the Distribution Network Service Provider has adopted, taking into account the pricing principle in clause 6.18.5(h), for the introduction of export tariffs including where relevant the period of transition.	Not approved (Attachment 19)	<p>Chapter 9 - Our approach to pricing</p> <p>Attachment 9.01 – Revised Tariff Structure Statement</p> <ul style="list-style-type: none"> • Chapter 3 • Chapter 6 <p>Attachment 9.02 – Revised Tariff Structure Explanatory Statement</p>

6.18.1A (a)(3)	A tariff structure statement of a Distribution Network Service Provider must include the structures for each proposed tariff.		Chapter 9 - Our approach to pricing Attachment 9.01 – Revised Tariff Structure Statement <ul style="list-style-type: none"> Chapter 4
6.18.1A (a)(4)	A tariff structure statement of a Distribution Network Service Provider must include the charging parameters for each proposed tariff.		Attachment 9.01 – Revised Tariff Structure Statement <ul style="list-style-type: none"> Chapter 4
6.18.1A (a)(5)	A tariff structure statement of a Distribution Network Service Provider must include a description of the approach that the Distribution Network Service Provider will take in setting each tariff in each pricing proposal of the Distribution Network Service Provider during the relevant regulatory control period in accordance with clause 6.18.5.	Approved (Attachment 19) except for the approach to setting individually calculated tariffs and the charging parameters that apply to individually calculated tariffs	Attachment 9.01 – Revised Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Attachment 9.02 – Revised Tariff Structure Explanatory Statement
6.18.1A (b)	A tariff structure statement must comply with the pricing principles for direct control services.		Attachment 9.01 – Revised Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3
6.18.1A (e)	A tariff structure statement must be accompanied by an indicative pricing schedule which sets out, for each tariff for each regulatory year of the regulatory control period, the indicative price levels determined in accordance with the tariff structure statement.		Attachment 9.04 - Network Use of System (NUoS) pricing schedule Attachment 9.05 - Public Lighting (SLUoS) pricing schedule Attachment 9.06 - Ancillary Network Services pricing schedule
6.18.5(b)	Subject to paragraph (c), a Distribution Network Service Provider's tariffs must comply with the pricing principles set out in paragraphs (e) to (j).		Refer 6.18.5(e) to 6.18.5(j)
6.18.5(c)	Tariffs may vary from tariffs which comply with pricing principles set out in paragraphs (e) to (g) only: (1) to the extent permitted under paragraph (h); and (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) to (j).		Attachment 9.01 – Revised Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3
6.18.5(d)	A Distribution Network Service Provider must comply with pricing principles in a manner that will contribute to the achievement of the network pricing objective.		Attachment 9.01 – Revised Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3 Attachment 9.02 – Revised Tariff Structure Explanatory Statement
6.18.5(e)	For each tariff class, the revenue expected to be recovered must lie on or between:		Attachment 9.01 – Revised Tariff Structure Statement <ul style="list-style-type: none"> Chapter 3

	(1) an upper bound representing the standalone cost of serving the retail customers who belong to that class; and (2) a lower bound representing the avoidable cost of not serving those retail customers.		Attachment 9.02 – Revised Tariff Structure Explanatory Statement
6.18.5(f)	Each tariff must be based on the long run marginal cost (LRMC) of providing the service.		Attachment 9.01 – Revised Tariff Structure Statement • Chapter 3 Attachment 9.02 – Revised Tariff Structure Explanatory Statement
6.18.5(g)	The revenue expected to be recovered from each tariff must reflect the total efficient costs of serving the retail customers, permit recovery of the expected revenue for the relevant services and minimise distortions to the price signals for efficient usage.		Attachment 9.01 – Revised Tariff Structure Statement • Chapter 3 Attachment 9.02 – Revised Tariff Structure Explanatory Statement
6.18.5(h)	Consideration must be given to the impact on retail customers of changes in tariffs from the previous regulatory year.		Attachment 9.01 – Revised Tariff Structure Statement • Chapter 3 • Chapter 6 • Appendix A Attachment 9.02 – Revised Tariff Structure Explanatory Statement
6.18.5(i)	Tariff structures must be reasonably capable of being understood by retail customers or being directly or indirectly incorporated by retailers or Market Small Generation Aggregators in contract terms.		Attachment 9.01 – Revised Tariff Structure Statement • Chapter 3 • Chapter 4 Attachment 9.02 – Revised Tariff Structure Explanatory Statement
6.18.5(i)	A tariff must comply with the Rules and all applicable regulatory instruments.		Attachment 9.01 – Revised Tariff Structure Statement • Chapter 3
6.18.6(b)	The expected weighted average revenue to be raised from a tariff class for a particular regulatory year must not exceed the corresponding expected weighted average revenue for the preceding regulatory year by more than the permissible percentage.		Rely on information provided with our 31 January 2023 Proposal
6.18.7(a)	A pricing proposal must provide for tariffs designed to pass on to retail customers the designated pricing proposal charges to be incurred by the Distribution Network Service Provider.		Rely on information provided with our 31 January 2023 Proposal
6.18.7(b)	The amount to be passed on to retail customers for a particular regulatory year must not exceed the estimated amount of the designated pricing proposal charges adjusted for over or		Rely on information provided with our 31 January 2023 Proposal

	under recovery in accordance with paragraph (c).		
6.18.7(c)	The over and under recovery amount must be calculated in a way that: (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the AER in the relevant distribution determination; (2) ensures we can recover from retail customers pricing proposal charges we incur; and (3) adjusts for an appropriate cost of capital.		Rely on information provided with our 31 January 2023 Proposal
6.18.7A(a)	A pricing proposal must provide for tariffs designed to pass on to retail customers the designated pricing proposal charges to be incurred by the Distribution Network Service Provider.		Rely on information provided with our 31 January 2023 Proposal
6.18.7A(b)	The amount to be passed on to customers for a particular regulatory year must not exceed the estimated amount of jurisdictional scheme amounts for a Distribution Network Service Provider's approved jurisdictional schemes adjusted for over or under recovery in accordance with paragraph (c).		Rely on information provided with our 31 January 2023 Proposal
6.18.7A(c)	The over and under recovery amount must be calculated in a way that: (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the AER for jurisdictional scheme amounts; (2) ensures that we can recover the jurisdictional scheme amounts we incur; and (3) adjusts for costs of capital.		Rely on information provided with our 31 January 2023 Proposal
S6.1.1 (1)(i)-(ii)	A building block proposal must contain a forecast of the required capital expenditure that complies with the requirements of clause 6.5.7 and identifies the forecast capital expenditure by reference to well accepted categories.		Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 8 – Capital expenditure
S6.1.1 (1)(iii) - (v)	A building block proposal must contain a forecast of the required capital expenditure that complies with the requirements of clause 6.5.7 and identifies the forecast capital expenditure and identifies, in respect of proposed material assets: (iii) the location of the proposed asset; (iv) the anticipated or known cost of the proposed asset; and		Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 8 – Capital expenditure

	(v) the categories of distribution services which are to be provided by the proposed asset.		
S6.1.1 (2)	A building block proposal must contain the method used for developing the capital expenditure forecast.		Rely on information provided with our 31 January 2023 Proposal
S6.1.1 (3)	A building block proposal must contain the forecasts of load growth relied upon to derive the capital expenditure forecasts and the method used for developing those forecasts of load growth.		Rely on information provided with our 31 January 2023 Proposal
S6.1.1 (4)	A building block proposal must contain the key assumptions that underlie the capital expenditure forecast.		Rely on information provided with our 31 January 2023 Proposal
S6.1.1 (5)	A building block proposal must contain a certification of the reasonableness of the key assumptions by the directors of the Distribution Network Service Provider.		Rely on information provided with our 31 January 2023 Proposal
S6.1.1 (6)	A building block proposal must contain capital expenditure for each of the past regulatory years of the previous and current regulatory control period, and the expected capital expenditure for each of the last two regulatory years of the current regulatory control period, categorised in the same way as for the capital expenditure forecast and separately identifying for each such regulatory year: (i) margins paid or expected to be paid for arrangements that do not reflect arm's length terms; and (ii) expenditure that should have been treated as operating expenditure in accordance with the policy submitted under paragraph (8) for that regulatory year.		Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Chapter 3 – Revenue requirement Chapter 8 – Capital expenditure Chapter 11 – Metering services
S6.1.1 (7)	A building block proposal must contain an explanation of any significant variations in the forecast capital expenditure from historical capital expenditure.		Rely on information provided with our 31 January 2023 Proposal, as well as the information provided in Attachment 3.06 – CESS model Chapter 8 – Capital expenditure
S6.1.1 (8)	A building block proposal must contain the policy that the Distribution Network Service Provider applies in capitalising operating expenditure.		Rely on information provided with our 31 January 2023 Proposal
S6.1.2 (1)(i) - (ii)	A building block proposal must contain a forecast of the required operating expenditure that complies with the requirements of clause 6.5.6 and identifies the forecast operating		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 7 – Operating expenditure

	expenditure by reference to well accepted categories.		Chapter 11 – Metering services
S6.1.2 (1)(iii) - (iv)	A building block proposal must identify in respect of each such category: (iii) to what extent that forecast expenditure is on costs that are fixed and to what extent it is on costs that are variable; and (iv) the categories of distribution services to which that forecast expenditure relates.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 7 – Operating expenditure Chapter 11 – Metering services
S6.1.2 (2)	A building block proposal must contain the method used for developing the operating expenditure forecast.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 7 – Operating expenditure Chapter 11 – Metering services
S6.1.2 (3)	A building block proposal must contain the forecasts of key variables relied upon to derive the operating expenditure forecast and the method used for developing those forecasts of key variables.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 7 – Operating expenditure Chapter 11 – Metering services
S6.1.2 (4)	A building block proposal must contain the method used for determining the cost associated with planned maintenance programs designed to improve the performance of the relevant distribution system for the purposes of any service target performance incentive scheme that is to apply to the Distribution Network Service Provider in respect of the relevant regulatory control period.	Accepted with adjustment for reliability improvement (from resilience) and without customer service component	Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 6 – Framework and Approach
S6.1.2 (5)	A building block proposal must contain the key assumptions that underlie the operating expenditure forecast.		Rely on information provided with our 31 January 2023 Proposal
S6.1.2 (6)	A building block proposal must contain a certification of the reasonableness of the key assumptions by the directors of the Distribution Network Service Provider.		Rely on information provided with our 31 January 2023 Proposal
S6.1.2 (7)	A building block proposal must contain operating expenditure for each of the past regulatory years of the previous and current regulatory control period, and the expected operating expenditure for each of the last two regulatory years of the current regulatory control period, categorised in the same way as for the operating expenditure forecast.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 7 – Operating expenditure Chapter 11 – Metering services

S6.1.2 (8)	A building block proposal must contain an explanation of any significant variations in the forecast operating expenditure from historical operating expenditure.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 7 – Operating expenditure Chapter 11 – Metering services
S6.1.3 (1)	A building block proposal must contain an identification and explanation of any significant interactions between the forecast capital expenditure and forecast operating expenditure programs.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 7 – Operating expenditure Chapter 8 – Capital expenditure Chapter 11 – Metering services
S6.1.3 (3)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any efficiency benefit sharing scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 3 – Our revenue requirement components Attachment 3.05 – EBSS model Attachment 3.07 – EBSS concerns
S6.1.3 (3A)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any capital expenditure sharing scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 3 – Our revenue requirement components Attachment 3.05 – CESS model
S6.1.3 (4)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any service target performance incentive scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 6 – Framework and approach
S6.1.3 (5)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any demand management and embedded generation connection incentive scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 3 – Our revenue requirement components

S6.1.3 (5A)	A building block proposal must contain a description, including relevant explanatory material, of how the Distribution Network Service Provider proposes any small-scale incentive scheme that has been specified in a framework and approach paper that applies in respect of the forthcoming distribution determination should apply to it.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 6 – Framework and approach Attachment 6.02 Customer Service Incentive Scheme Approach Attachment 6.03 – Customer Service Incentive Scheme Model
S6.1.3 (6)	A building block proposal must contain the Distribution Network Service Provider's calculation of revenues or prices for the purposes of the control mechanism proposed by the Distribution Network Service Provider together with: (i) details of all amounts, values and inputs (including X factors) relevant to the calculation; (ii) an explanation of the calculation and the amounts, values and inputs involved in the calculation; and (iii) a demonstration that the calculation and the amounts, values and inputs on which it is based comply with relevant requirements of the Law and the Rules.		Rely on information provided with our 31 January 2023 Proposal as well as the information provided in Chapter 3 – Our revenue requirement Attachments 3.02 – Standard control roll forward model (RFM) Attachment 3.03 – RFM depreciation tracking module Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.02 – Metering roll forward model Attachment 11.03 – Metering RFM depreciation tracking model Attachment 11.04 – Metering post-tax revenue model (PTRM)
S6.1.3 (7)	A building block proposal must contain the Distribution Network Service Provider's calculation of the regulatory asset base for the relevant distribution system for each regulatory year of the relevant regulatory control period using the roll forward model referred to in clause 6.5.1, together with: (i) details of all amounts, values and other inputs used by the Distribution Network Service Provider for that purpose; (ii) a demonstration that any such amounts, values and other inputs comply with the relevant requirements of Part C of Chapter 6; and (iii) an explanation of the calculation of the regulatory asset base for each regulatory year of the relevant regulatory control period and of the amounts, values and inputs referred to in subparagraph (i).		Chapter 3 – Our revenue requirement Attachment 3.02 – Standard control roll forward model (RFM) Attachment 3.03 – RFM depreciation tracking module Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.02 – Metering roll forward model Attachment 11.03 – Metering RFM depreciation tracking model Attachment 11.04 – Metering post-tax revenue model (PTRM)
S6.1.3 (9)	A building block proposal must contain the Distribution Network Service Provider's calculation of the allowed rate of return for each regulatory year		Chapter 3 – Our revenue requirement Attachment 3.04 – Standard control post-tax revenue model (PTRM)

	of the relevant regulatory control period.		Attachment 11.04 – Metering post-tax revenue model (PTRM)
S6.1.3 (9A)	A building block proposal must contain the Distribution Network Provider's calculation of the allowed imputation credits for each regulatory year of the regulatory control period.		Chapter 3 – Our revenue requirement Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.04 – Metering post-tax revenue model (PTRM)
S6.1.3 (10)	A building block proposal must contain the post-tax revenue model completed to show its application to the Distribution Network Service Provider and the completed roll-forward model.		Chapter 3 – Our revenue requirement Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 3.02 – Standard control roll forward model (RFM) Attachment 11.02 – Metering roll forward model Attachment 11.04 – Metering post-tax revenue model (PTRM)
S6.1.3 (11)	A building block proposal must contain the Distribution Network Service Provider's estimate of the cost of corporate income tax for each regulatory year of the regulatory control period.		Chapter 3 – Our revenue requirement Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.04 – Metering post-tax revenue model (PTRM)
S6.1.3 (12)	A building block proposal must contain the depreciation schedules nominated by the Distribution Network Service Provider for the purposes of clause 6.5.5, which categorise the relevant assets for these purposes by reference to well accepted categories such as: (i) asset class (e.g. distribution lines and substations); or (ii) category driver (e.g. regulatory obligation or requirement, replacement, reliability, net market benefit, and business support), together with: (iii) details of all amounts, values and other inputs used by the Distribution Network Service Provider to compile those depreciation schedules; (iv) a demonstration that those depreciation schedules conform with the requirements set out in clause 6.5.5(b) ; and (v) an explanation of the calculation of the amounts, values and inputs referred to in subparagraph (iii)		Chapter 3 – Our revenue requirement Attachments 3.02 – Standard control roll forward model (RFM) Attachment 3.03 – RFM depreciation tracking module Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.02 – Metering roll forward model Attachment 11.03 – Metering RFM depreciation tracking model Attachment 11.04 – Metering post-tax revenue model (PTRM)

S6.1.3 (13)	A building block proposal must contain the commencement and length of the regulatory control period proposed by the Distribution Network Service Provider.	Accepted	Rely on information provided with our 31 January 2023 Proposal
S6.1.3 (14)	A building block proposal must contain, if the Distribution Network Service Provider is seeking a determination by the AER that a proposed contingent project is a contingent project for the purposes of the relevant distribution determination, specified details (i) to (vi) in relation to the contingent project.	N/A	N/A
S6.2	A regulatory proposal must establish and adjust the value of the regulatory asset base in accordance with specifications		Chapter 3 – Our revenue requirement Attachments 3.02 – Standard control roll forward model (RFM) Attachment 3.03 – RFM depreciation tracking module Attachment 3.04 – Standard control post-tax revenue model (PTRM) Attachment 11.02 – Metering roll forward model Attachment 11.03 – Metering RFM depreciation tracking model Attachment 11.04 – Metering post-tax revenue model (PTRM)