

14 February 2024

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

Sent via email: networksinformation@aer.gov.au

Dear Dr Funston, *Kris,*

Network Information Requirements Review – Draft Annual Information Orders

SA Power Networks welcomes the opportunity to comment on the Australian Energy Regulator's (AER's) Network Information Requirements Review Draft Annual Information Orders, released for consultation on 7 December 2023.

SA Power Networks supports the move to a Regulatory Information Order (RIO) for collection of regulatory information, providing greater consistency in information reported across the National Electricity Market (NEM). We look forward to continuing to work with the AER in the development of its information exchange systems and processes with a view to improving the efficiency of data processing and ongoing management of this regulatory information for NEM participants and the AER.

Specific feedback on the Draft Annual Information Order is provided in Appendix A to this letter.

If you have any queries or require further information in relation to our submission, please contact Debbie Voltz on [REDACTED] or [REDACTED]

Yours sincerely

[REDACTED]
Patrick Makinson
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Appendix A: Draft Annual Information Orders – electricity distributors

Commencement date and timing

We acknowledge that the AER has amended the commencement date for the RIO, with the first reporting period to commence on 1 July 2024. We also note the AER has extended the response timeframe for the first year of data collection to 30 November, five months after the end of the financial year. Subsequent reporting periods will revert to a 31 October reporting timeframe, consistent with current reporting requirements.

As mentioned in our submission to the Preliminary Annual Information Order, SA Power Networks recommends the AER consider maintaining a response date of 30 November for information required under the RIO beyond the first year. This will provide additional time to prepare the data and complete the independent review prior to submission given the expanded data requirements contained within the RIO.

Maintaining a response date of 30 November would also eliminate the need for SA Power Networks to resubmit revenue and consumption data to align with that provided in our Annual Pricing Proposal. The extended timeframe will provide the necessary time for SA Power Networks to complete our annual sales reconciliation and audit of this data prior to submission of the RIO data to the AER, eliminating the need to formally resubmit this data.

Policies and procedures

SA Power Networks acknowledges the requirement to provide policies and procedures (section 4.2 of the Draft RIO) has been amended to reduce the reporting obligations from that provided in the preliminary RIO. The Draft RIO requires distributors to provide its regulatory accounting principles and policies, capitalisation policy, and policy and procedures for the allocation of overheads in accordance with the approved cost allocation method. We note this requirement now aligns more closely with the requirements in the current Regulatory Information Notice (RIN).

We note the explanatory statement references where the AER has now limited the information requirement to providing key policies and procedures that are likely to materially impact the presentation of data. SA Power Networks recommends updating the section heading to be 'Key Policies and Procedures' to ensure consistency with the explanatory statement.

Regulatory Adjustments

Section 4.3 of the Draft RIO requires distributors to provide a regulatory adjustments journal that identifies:

- a) Each adjustment included in the regulatory adjustments reported;
- b) How each adjustment maps to the regulatory adjustments reported; and
- c) For each adjustment, the accounts and amounts credited and debited.

SA Power Networks does not maintain formal regulatory accounts within our financial system, therefore regulatory adjustments are normally processed outside of our financial system. A reconciliation summary can be provided, similar to that currently provided by SA Power Networks detailing adjustments between the audited statutory accounts and regulatory accounts as reported within the Annual RIN. This summary can be amended to include the relevant debits and credits associated these adjustments.



Safety

SA Power Networks also notes section 4.23 of the Draft RIO requires SA Power Networks to report on its significant events, as per its approved Electrical Networks Safety Management System (ENSMS). Information on significant events is already reported to the South Australian Office of the Technical Regulator (OTR), who is responsible for monitoring the safety and technical standards for electrical installations and infrastructure, in accordance with our Safety Reliability Maintenance and Technical Management Plan which complies with AS5577.

We continue to be concerned about reporting additional information to the AER that is already reported within our jurisdictional requirements, for example to the OTR or Essential Services Commission of South Australia (ESCoSA). We seek to avoid duplication in reporting requirements where possible.

Data requirements / templates

SA Power Networks has reviewed the updated data templates provided for consultation and provides the following feedback:

Workbook / Table SA Power Networks' comments reference

Data Category 02: Operational Outputs

Energy delivered by Cost Reflective (CR) Tariff	SA Power Networks is not currently able to provide energy delivered by individual meter type. Providing data at this level would be administratively burdensome on an annual basis, with data from various sources needing to be collated together.
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We can continue to provide customer numbers by meter type or by tariff as currently provided within the existing RIN data requirements for the Annual RIN Workbook 2 – P1 Cost Reflective Tariff and Metering.

SA Power Networks can provide detail for small business customers where this will be aligned to tariff classification and consistent with the jurisdictional threshold requirements for small customers.

Energy delivered by Non Cost Reflective (NCR) Tariff	SA Power Networks is not currently able to provide energy delivered by individual meter type. Providing data at this level would be administratively burdensome on an annual basis, with data from various sources needing to be collated together.
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We can continue to provide customer numbers by meter type or by tariff as currently provided within the existing RIN data requirements for the Annual RIN Workbook 2 – P1 Cost Reflective Tariff and Metering.

SA Power Networks can provide detail for small business customers where this will be aligned to tariff classification and consistent with the jurisdictional threshold requirements for small customers.



Maximum Demand We note the template provides for up to 200 sub-transmission substations and zone substations. SA Power Networks presently has 380 zone substations. Therefore, additional rows will need to be provided within the template.

Export services SA Power Networks notes the export services data required to be reported as part of the RIO aligns with the AER's Information Request - Exports issued in June 2023. In accordance with section 2.7 of Appendix A - Data Workbook Instructions, electricity distributors are required to report measured net metered volumes of energy exported by customers (export services). Where 'Net metered volumes' refer to metered energy net of load - that is energy exported and does not include estimated export volumes for customers that do not have smart meters. We recommend this be clarified within the title for this data (Data Category 2 - Operational outputs) to avoid confusion.

Data Category 03 – Network Services

Checks and Totals - Length SA Power Networks reports circuit and conductor length based on the AER definition where circuit length is based on route length where each SWER line, single-phase line, and three-phase line counts as one line. Conductor length is reported based on the length of all the conductors, for example the three lines of conductor will be reported for a three-phase circuit. Therefore, these lengths will not reconcile as provided within the Checks and Totals.

Data Category 05 – Service Performance

Definitions – MAIFI / MAIFle Excluded events (Distribution) - are defined within section 3.3 of the STPIS as this is a reliability measure not a customer service measure.

Definitions – Other service measures Fire start (unplanned vegetation event) - not sure why unplanned vegetation event has been included within the bracket as fire starts include more than vegetation related events (e.g. lightning strike, bird etc).

Definitions – Service outcomes "Total energy not supplied" is not defined. We suggest for completeness that this should be defined to reduce ambiguity and potential variations in the calculations between DNSPs.

Interruptions to supply SA Power Networks acknowledges the amendments made to the Interruptions to supply template for the draft RIO, however we continue to be concerned that there is insufficient data for the AER to derive the SAIDI and SAIFI values.



Customer numbers are needed for each restoration stage (after the first restoration) to calculate the SAIDI, however, they cannot be used to calculate the SAIFI value. Restoration stages can result in some customers seeing two outages for the one interruption, with potential different days and start times than the original interruption. For example, when restoring electricity supply to customers resulting from a fault on the distribution system, some customers may have their electricity supply restored prior to the fault being repaired and then experience subsequent outage(s). Any supply outage required to restore customers' electricity supply, will contribute towards the SAIDI calculation for the initial outage and not be treated as a separate outage.

Validations – Restoration stage The validation for restoration stage is incorrect: If Restoration stage $\neq 1$, then date; start time; feeder id must all match against an interruption where restoration stage =1. As noted above, the subsequent outages may be for different days and start times than the original interruption.

Data Category 06 – Operating Expenditure

Definitions The AER requirement to report on debt raising costs does not include a definition for debt raising costs, noting debt raising costs are reported in the annual debt RIN. SA Power Networks recommends that the definition for debt raising costs be aligned between the annual Debt RIN and the RIO. The Debt RIN defines debt raising costs as 'the transaction costs incurred each time debt is raised or refinanced as well as the costs for maintaining the debt facility.'

Data Category 07 – Capital Expenditure

Standard Control We note the Total Standard Control Services for 'Capex by purpose (including total capital contributions) - AER defined' (H21) is exclusive of overheads. This sum should be inclusive of overheads especially given it is representative of total capital expenditure and will need to reconcile with the sum total for capex by purpose (including type 1 and type 2 capital contributions).

Data Category 09 – Revenue

Distribution Business and Standard Control We note the TUOS revenue and TUOS expenditure items are summing the revenue and expenditure from cross boundary expenditure and other TUOS expenditure. SA Power Networks believes there should also be a TUOS payments to TNSP/AEMO category given these are represented in the TUOS expenditure table on rows 47-52. It is not clear what the other TUOS revenue

and other TUOS expenditure is representative of, given the TUOS expenditure table also includes an 'other TUOS charges' item to be reported.

