



Part of Energy Queensland

26 August 2024

Claire Preston  
Director, Network Expenditure  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

By email: [REDACTED]

Dear Ms Preston

**AER Consultation – Quantonomics Preliminary 2024 Annual Benchmarking Report for Electricity Distribution Network Service Providers**

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex), operating as Distribution Network Service Providers (DNSPs) in Queensland, appreciate the opportunity to provide a submission to the Australian Energy Regulator (AER) on the Quantonomics Preliminary 2024 Annual Benchmarking Report for DNSPs (the Preliminary Report), including the underlying data files.

With respect to the Preliminary Report, we would like to draw the AER's attention to a potential error on page 31, Table 3.2 where it appears EvoEnergy's results have been incorrectly assigned to Essential Energy. This error also appears to impact other DNSPs results within the table through to the average results which appear to reflect United Energy's results.

Also, in relation to the underlying data for the benchmarking report, we have found a potential error in the 'DNSP AUC calculation (2023)' data file being used for 'option 5' revisions to the regulated asset base values and 'option 5' average user cost calculations. This error relates to the capitalised corporate overhead (CCO) amounts for Ergon Energy and Energex across several years. Additional detail identifying these variances is included as **Attachment 1**. The CCO values used for the operating expenditure amounts included in the 'DNSP consolidated benchmarking data (2023)' file appear to be correct and no other data related concerns have been identified.

Should the AER require additional information or wish to discuss any aspect of this submission, please contact me or Sarah Luinys on

Yours sincerely

Alena Christmas  
**Manager Regulatory Affairs**

**Attachment 1: Variance in Capitalised Corporate Overhead Amounts for RAB and AUC Revisions**

Energex	2006ENX	2007ENX	2008ENX	2009ENX	2010ENX	2011ENX	2012ENX	2013ENX	2014ENX	2015ENX	2016ENX	2017ENX	2018ENX	2019ENX	2020ENX	2021ENX	2022ENX	2023ENX
Figures used for CCO in AUC file	82,890,997	100,719,734	109,136,606	95,466,524	140,546,008	148,344,473	162,928,558	155,043,772	124,824,808	135,127,224	107,859,047	101,007,389	100,481,623	100,279,194	113,516,217	46,774,620	41,693,460	50,291,030
Figures used for CCO for Opex	7,588,714	9,142,620	10,101,370	10,679,675	11,859,740	12,492,695	16,938,266	17,716,687	18,986,613	17,289,483	15,381,721	14,079,729	14,617,756	13,416,355	13,290,794	8,872,254	9,104,344	11,180,157
Difference	75,302,283	91,577,114	99,035,236	84,786,849	128,686,268	135,851,778	145,990,292	137,327,085	105,838,195	117,837,740	92,477,326	86,927,660	85,863,867	86,862,839	100,225,423	37,902,366	32,589,116	39,110,873
<b>Ergon Energy</b>	<b>2006ERG</b>	<b>2007ERG</b>	<b>2008ERG</b>	<b>2009ERG</b>	<b>2010ERG</b>	<b>2011ERG</b>	<b>2012ERG</b>	<b>2013ERG</b>	<b>2014ERG</b>	<b>2015ERG</b>	<b>2016ERG</b>	<b>2017ERG</b>	<b>2018ERG</b>	<b>2019ERG</b>	<b>2020ERG</b>	<b>2021ERG</b>	<b>2022ERG</b>	<b>2023ERG</b>
Figures used for CCO in AUC file	99,180,289	92,287,130	102,804,521	107,001,926	103,759,966	134,879,391	146,218,759	100,303,398	113,897,117	127,431,347	88,128,131	98,403,839	101,093,054	106,691,945	133,243,041	62,726,848	65,815,177	77,256,436
Figures used for CCO for Opex	9,667,852	9,245,958	10,359,745	7,243,148	8,565,326	9,367,334	11,782,993	11,073,439	11,502,942	11,445,676	11,609,697	13,393,140	13,619,383	15,466,143	20,227,349	12,743,618	14,961,905	17,174,814
Difference	89,512,436	83,041,172	92,444,777	99,758,778	95,194,640	125,512,057	134,435,767	89,229,959	102,394,175	115,985,672	76,518,433	85,010,699	87,473,671	91,225,802	113,015,692	49,983,230	50,853,272	60,081,622