

# Ergon Energy Corporation Limited

## Attachment 6: Tropical Cyclone Kirrily Cost Pass Through Application – Compliance Checklist

NER clause	Requirement	Information Provided	Section
6.6.1 (a)	<p>Identification of a pass through event.</p> <p>An event allowing for pass through of costs may be determined in the distribution determination (sub 5)</p>	The application confirms that Tropical Cyclone Kirrily meets the 'natural disaster' pass through event specified in Ergon Energy's distribution determination.	3.3.1
6.6.1 (a)	A DNSP may seek AER approval for the pass through for a positive change event. To qualify as a positive change event the DNSP must have incurred materially higher costs (NER defined) in providing direct control services.	The application confirms that Ergon Energy incurred materially higher costs in providing direct control services, and accordingly the event qualifies as a positive pass through event.	3.3.3
6.6.1 (c)	A DNSP must submit a statement (interchangeable term being application) within 90 business days of the relevant positive change event occurring.	The application provides evidence on the applicable period of the Tropical Cyclone Kirrily event for the purposes of the pass through application. The closing date for the application is 29 November 2024, being the date of the extension granted by the AER on 1 October 2024 in accordance with clause 6.6.1(k).	Executive Summary
(c)(1)	<p>The statement must specify:</p> <ul style="list-style-type: none"> <li>The details of the positive change event.</li> </ul>	The details of the positive change event, including the scale and impact of the natural disaster (being Tropical Cyclone Kirrily) is set out in the application.	1
	<ul style="list-style-type: none"> <li>The date on which the positive change event occurred.</li> </ul>	Tropical Cyclone Kirrily spanned several days. The dates of the event for the purpose of the cost pass through is provided with rationale.	3.3.1
(c)(3)	<ul style="list-style-type: none"> <li>The eligible pass through amount, being the increase costs in the provision of direct</li> </ul>	The application provides details on incremental costs for direct control services, which constitutes the eligible	7.1

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	control services as a result of the positive change. event	pass through amount.	
(c)(4)	<ul style="list-style-type: none"> <li>The positive pass through amount proposed.</li> </ul>	The application proposes a positive pass through amount.	7.4
(c)(5)	<ul style="list-style-type: none"> <li>The amount proposed to be passed through in the regulatory year in which the event occurred in subsequent regulatory years.</li> </ul>	The application proposes amounts to be passed through in the last year of the current regulatory control period.	7.5
(c)(6)(i)	Evidence of: <ul style="list-style-type: none"> <li>The actual and likely increases.</li> </ul>	Build-up of costs provided at Attachment 4. This includes an excel workbook with general ledger extracts from the Tropical Cyclone Kirrily event including reconciliation to the incremental costs amount.	Attachment 4
(6)(ii)	<ul style="list-style-type: none"> <li>that the costs occur solely as a consequence of the positive change event.</li> </ul>	The application describes the process to capture Tropical Cyclone Kirrily costs via a parent work order in the ERP – Ellipse. This ensured costs were captured solely as a consequence of the positive change event. Our process followed a review of the event costs, removal of non-incremental costs.	6
(6)(iii)	<ul style="list-style-type: none"> <li>relates to the circumstances where the cause of costs is a retailer insolvency event.</li> </ul>	Not applicable. Tropical Cyclone Kirrily was not a result of a retailer insolvency event.	N/A
(c)(7)	<ul style="list-style-type: none"> <li>other information as required under any</li> </ul>	The application discusses insurance considerations for	3.4

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	<p>relevant regulatory instrument.</p> <ul style="list-style-type: none"> <li>The AER’s Final Decision on Ergon’s distribution determination 2020 - 2025 notes that in assessing a natural disaster pass through application, it will have regard to the insurance held and whether that is efficient amount a prudent NSP would hold.</li> </ul>	<p>natural disaster events such as Tropical Cyclone Kirrily.</p>	
(9)(c1)	<ul style="list-style-type: none"> <li>Relates to the pass through amount including expenditure for the restricted asset.</li> </ul>	<p>Not applicable.</p>	<p>N/A</p>