

Compliance checklist

This attachment provides information on the compliance of AusNet's pass through application with the NER pass through provisions (as set out in Cl 6.6.1), and to the location of the relevant information in our application.

NER CI	Requirement	Information provided	Section
6.6.1(a1)	<p>Identification as a pass through event</p> <p>An event allowing for pass through of costs may be specified in the distribution determination (sub 5)</p>	The application confirms that the June 2021 storms meet the 'natural disaster' event specified in AusNet's distribution determination	4.1
6.6.1 (a)	<p>A DNSP may seek AER approval for the pass through for a positive change event</p> <p>To qualify as a positive change event the DNSP must have incurred materially higher costs (NER defined) in providing direct control services</p>	The application confirms that AusNet incurred materially higher costs in providing direct control services, and accordingly the event qualifies as a positive pass through event	5.3
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	<p>The application provides evidence on the period of the storms for the purposes of the pass through application</p> <p>The closing date for the application is 15 December 2021 as agreed with the AER under clause 6.61(k)</p>	1
(c) (1)	<p>The statement must specify:</p> <ul style="list-style-type: none"> The details of the positive change event 	The details of the positive change event, being the scale and impact of the natural disaster (being the June 2021 storms) is set out in the application	4.2
(c) (2)	<ul style="list-style-type: none"> The date on which the positive change event occurred 	As referenced above (see row 6.6.1 (c)) this date and its rationale is provided	1, 4.1
(c) (3)	<ul style="list-style-type: none"> The eligible pass through amount, being the increase costs in the provision of direct control services as a result of the positive change event 	The application provides detail on the sources of cost increases and the cost attributed for each, which constitutes the eligible pass through amount	6.1, 6.2
(c) (4)	<ul style="list-style-type: none"> The positive pass-through amount proposed 	The application proposes a positive pass through amount	6.5

NER CI	Requirement	Information provided	Section
(c) (5)	<ul style="list-style-type: none"> The amount proposed to be passed through in the regulatory year in which the event occurred in subsequent regulatory years 	The application proposes amounts to be passed through over the last four years of the current regulatory control period	6.6
(c) (6) (i)	Evidence of: <ul style="list-style-type: none"> the actual and likely increases 	KPMG report and build up of costs document	Attachments 1, 7 and 12
(6) (ii)	<ul style="list-style-type: none"> that the costs occur solely as a consequence of the positive change event 	<p>The application describes the data sources and processes to determine the costs solely occurring as a consequence of the positive change event</p> <p>A review based on agreed upon procedures by KPMG is also provided</p>	6.3 and Attachment 7.
(6) (iii)	<ul style="list-style-type: none"> relates to the circumstances where the cause of costs is a retailer insolvency event 	Not applicable. Noted in the application	4.1
(c) (7)	<ul style="list-style-type: none"> other information as required under any relevant regulatory instrument <p>- The AER's Final Decision on AusNet's distribution determination 2016 – 2020 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 hold¹</p>	The application discusses insurance considerations for natural disaster events such as the June 2021 storms	6.4
(6) (c1)	<ul style="list-style-type: none"> relates to the pass through amount including expenditure for a restricted asset 	AusNet has explored this, noted in the application.	6.3

¹ AER, Final Decision, AusNet Services' distribution determination 2016 – 2020, Attachment 15 – Pass through events, May 2016, p. 15-7.