

Compliance with the Regulatory Information Notice Schedule 1

<i>Item</i>	<i>Detail</i>	<i>Location</i>
1.	PROVIDE INFORMATION	
1.1	<p>Provide the information required in each <i>Regulatory template</i> in the Microsoft Excel Workbooks attached at Appendix A completed in accordance with:</p> <p>(a) this <i>Notice</i>;</p> <p>(b) the instructions in the Microsoft Excel Workbooks attached at Appendix A;</p> <p>(c) the Principles and Requirements in Appendix E; and</p> <p>(d) the service classifications set out in the <i>framework and approach paper</i>.</p>	Regulatory templates
1.2	<p>For information other than Forecast Information, provide in accordance with this <i>Notice</i> and the Principles and Requirements in Appendix E, a Basis of Preparation demonstrating ActewAGL has complied with this <i>Notice</i>, in respect of:</p> <p>(a) the information in each <i>Regulatory template</i> in the Microsoft Excel Workbooks attached at Appendix A; and</p> <p>(b) any other information prepared in accordance with the requirements of this <i>Notice</i>.</p>	Basis of preparation
1.3	Provide any other supporting information or documentation that is directly relevant to the preparation of the <i>regulatory proposal</i>	All supporting information or documentation that is directly relevant is provided as an attachment.
1.4	Provide the applicable <i>cost allocation methodology</i> .	Attachment B18: Cost Allocation Methodology
1.5	<p>Provide for the purposes of the preparation of the <i>regulatory proposal</i>:</p> <p>(a) all <i>economic analysis</i> used to justify expenditure;</p> <p>(b) all consultants' reports commissioned and relied upon in whole or in part;</p> <p>(c) all material assumptions relied upon;</p> <p>(d) copies of the top ten contracts relating to the delivery of distribution services, by annual value, and any supporting information directly related to the procurement process for the services provided by these contracts (e.g. probity reports, Board minutes, tendering documents); and</p> <p>(e) a table that references each response to a paragraph in this Schedule 1, where it is provided in or as part of the <i>regulatory proposal</i>.</p>	<p>(a) Provided in various attachments.</p> <p>(b) Provided in various attachments.</p> <p>(c) Attachment F4: Key Assumptions</p> <p>(d) Attachment A2: Supplementary information</p> <p>(e) This document.</p>
1.6	<p>Provide for each material assumption identified in the response to paragraph 1.5(c):</p> <p>(a) its source or basis;</p> <p>(b) if applicable, its quantum;</p>	Attachment F4: Key Assumptions

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	<p>(c) whether and how the assumption has been applied and was taken into account; and</p> <p>(d) the effect or impact of the assumption on the capital and operating expenditure forecasts in the <i>forthcoming regulatory control period</i> taking into account:</p> <p>(i) the actual expenditure incurred during the <i>current regulatory control period</i>; and</p> <p>(ii) the sensitivity of the forecast expenditure to the assumption</p>	
1.7	<p>Capital and operating expenditure forecasts provided in the <i>regulatory templates</i> must be reconciled to the ex-ante capital and operating allowances in <i>Post-Tax Revenue Model</i> for the <i>forthcoming regulatory control period</i>.</p>	<p>The capital and operating expenditure forecasts provided in the regulatory template are equivalent to the ex-ante capital and operating allowances in the <i>Post-Tax Revenue Model</i> for the <i>forthcoming regulatory control period</i>, after adjusting for equity and debt raising costs.</p>
1.8	<p>Where the regulatory proposal varies or departs from the application of any component or parameter of the capital efficiency sharing scheme, efficiency benefit sharing scheme, demand management incentive scheme or service target performance incentive scheme as set out in the <i>framework and approach paper</i>, for each variation or departure explain:</p> <p>(a) the reasons for the variation or departure, including why it is appropriate;</p> <p>(b) how the variation or departure aligns with the objectives of the relevant scheme; and</p> <p>(c) how the proposed variation or departure will impact the operation of the relevant scheme.</p>	<p>Chapter 16: Incentive schemes</p>
2	CLASSIFICATION OF SERVICES	
2.1	<p>Identify each proposed service classification which departs from a service classification set out in the <i>framework and approach paper</i> in the <i>regulatory proposal</i> and explain:</p> <p>(a) the reasons for the departure, including why the proposed service classification is more appropriate; and</p> <p>(b) how the treatment of the service will differ under the proposed service classification in comparison to that in the <i>framework and approach paper</i>.</p>	<p>No departures.</p>
2.2	<p>If the proposed service classifications in the <i>regulatory proposal</i> depart from any of the service classifications set out in the <i>framework and approach paper</i>:</p> <p>(a) provide, in a second set of <i>regulatory templates</i>, all information required in each <i>regulatory template</i> in accordance with the instructions contained therein, modified as necessary, to incorporate the proposed service classifications; and</p>	<p>No departures</p>

Item	Detail	Location
	(b) identify and explain where the <i>regulatory templates</i> differ.	
3	CONTROL MECHANISMS	
3.1	<p>For the proposed forecast revenues that ActewAGL estimates to recover from providing direct control services over the <i>forthcoming regulatory control period</i> provide:</p> <p>(a) formulaic expressions for the basis of control mechanisms for standard control services and for <i>alternative control services</i>; and</p> <p>(b) a detailed explanation and justification for each component that makes up the formulaic expression.</p>	Chapter 13: Control mechanism and indicative prices, Chapter 15: Alternative Control Services
3.2	<p>Also demonstrate:</p> <p>(a) how ActewAGL considers the control mechanisms are compliant with the framework and approach paper; and</p> <p>(b) for standard control services, how ActewAGL considers the control mechanisms are also compliant with clause 6.2.6 and part C of Chapter 6 of the NER.</p>	Chapter 13: Control mechanism and indicative prices, Chapter 15: Alternative Control Services
4	STEP CHANGES	
4.1	<p>For all <i>Step changes</i> in forecast expenditure (including those due to changes in <i>regulatory obligations or requirements</i> and those due to changes in ActewAGL's own policies and strategies) provide:</p> <p>(a) in Table 2.17.1 and Table 2.17.2 (and, if ActewAGL owns any <i>dual function assets</i>, Table 2.17.3 and Table 2.17.4) of <i>regulatory template 2.17</i>, the quantum of the <i>Step change</i> ActewAGL:</p> <p>(i) forecasts to incur in each year of the <i>forthcoming regulatory control period</i>;</p> <p>(ii) if applicable, has incurred, or expects to incur, in the <i>current regulatory control period</i> relative to expenditure previously approved by the AER; and</p> <p>(b) a description of the <i>Step change</i>:</p>	(a) Regulatory templates (b) Attachment B10: Operating expenditure step changes
4.2	<p>Provide an explanation of:</p> <p>(a) when the change occurred, or is expected to occur;</p> <p>(b) what the driver of the <i>Step change</i> is;</p> <p>(c) how the driver has changed or will change (for example, revised legislation may lead to a change in a <i>regulatory obligation or requirement</i>); and</p> <p>(d) whether the <i>Step change</i> is recurrent in nature;</p>	Attachment B10: Operating expenditure step changes
4.3	<p>Provide justification for when, and how, the <i>Step change</i> affected, or is expected to affect:</p> <p>(a) the relevant <i>opex category</i>;</p> <p>(b) the relevant <i>capex category</i>;</p> <p>(c) total opex; and</p>	Attachment B10: Operating expenditure step changes

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	(d) total capex;	
4.4	Provide the process undertaken by ActewAGL to identify and quantify the <i>Step change</i> ; Provide cost benefit analysis that demonstrates ActewAGL proposes to address the Step change in a prudent and efficient manner, including: (a) the timing of the <i>Step change</i> ; and (b) if ActewAGL considered a ‘do nothing’ option, evidence of how ActewAGL assessed the risks of this option compared with other options;	Attachment B10: Operating expenditure step changes
4.5	Provide, if the <i>Step change</i> is due to a change in a regulatory obligation or requirement: (a) relevant variations or exemptions granted to ActewAGL during the <i>previous regulatory control period</i> or the <i>current regulatory control period</i> ; (b) relevant compliance audits ActewAGL conducted during <i>the previous regulatory control period</i> or the <i>current regulatory control period</i> ;	Attachment B10: Operating expenditure step changes
4.6	with reference to specific clauses of the relevant legislative instrument(s), the: (i) previous regulatory obligation or requirement; and (ii) changed regulatory obligation or requirement that is driving the Step change.	Attachment B10: Operating expenditure step changes
5 CAPITAL EXPENDITURE		
General		
5.1	Provide justification for ActewAGL’s total <i>forecast capex</i> , including: (a) why the total <i>forecast capex</i> is required for ActewAGL to achieve each of the objectives in clause 6.5.7(a) of the NER; (b) how ActewAGL’s total <i>forecast capex</i> reasonably reflects each of the criteria in clause 6.5.7(c) of the NER; (c) how ActewAGL’s total <i>forecast capex</i> accounts for the factors in clause 6.5.7(e) of the NER; (d) an explanation of how the plans, policies, <i>procedures and regulatory obligations or requirements</i> identified in regulatory templates 7.1 and 7.3, and consultants reports, <i>economic analysis</i> and assumptions identified in 1.5 have been incorporated; and (e) an explanation of how each response provided to paragraph 5.1 is reflected in any increase or decrease in expenditures or volumes, particularly between the <i>current</i> and <i>forthcoming regulatory control periods</i> , provided in <i>regulatory templates</i> 2.1 to 2.12.	Chapter 7: Capital expenditure
5.2	Provide the model(s) and methodology ActewAGL used to develop its total <i>forecast capex</i> , including; (a) A description of how ActewAGL prepared the <i>forecast capex</i> , including: (i) how its preparation differed or related to budgetary, planning and governance processes used in the normal	(a) Attachment B15: Total forecast capex model (for both Standard and Alternative Control Services)

Item	Detail	Location
	<p>running of ActewAGL's business;</p> <p>(ii) the processes for ensuring amounts are free of error and other quality assurance steps; and</p> <p>(iii) if and how ActewAGL considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers.</p> <p>(b) any source material used (including models, documentation or any other items containing quantitative data): and</p> <p>(c) all calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the <i>regulatory templates</i>.</p>	(b) Chapter 7: Capital Expenditure
5.3	<p>Identify which items of ActewAGL's <i>forecast capex</i> have been:</p> <p>(a) derived directly from competitive tender processes;</p> <p>(b) based upon competitive tender processes for similar projects;</p> <p>(c) based upon estimates obtained from contractors or manufacturers;</p> <p>(d) based upon independent benchmarks;</p> <p>(e) based upon actual historical costs for similar projects; and</p> <p>(f) reflective of any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable.</p>	Attachment A2: Supplementary Information
5.4	<p>Provide all documents which were taken into account and relate to the <i>deliverability of forecast capex</i> and explain the proposed <i>deliverability</i>.</p>	All supporting information or documentation that is directly relevant is provided as an attachment.
	Capex categories	
5.5	<p>Describe each <i>capex category</i> and expenditures comprising these categories identified in the <i>regulatory templates</i>, including:</p> <p>(a) key drivers for expenditure;</p> <p>(b) an explanation of how expenditure is distinguished between:</p> <p>(i) demand driven and non-demand driven <i>augmentation capital expenditure</i>;</p> <p>(ii) <i>connections expenditure and augmentation capital expenditure</i>;</p> <p>(iii) <i>replacement capital expenditure</i> driven by condition and asset replacements driven by other drivers (e.g. the need for demand or non-demand driven <i>augmentation capital expenditure</i>); and</p> <p>(iv) any other <i>capex category</i> or <i>opex category</i> where ActewAGL considers that there is reasonable scope for ambiguity in categorisation.</p>	Chapter 7: Capital expenditure
6 REPLACEMENT CAPITAL EXPENDITURE MODELLING		

Item	Detail	Location
6.1	<p>In relation to information provided in <i>regulatory templates</i> 2.2 and 5.2 and with respect to the AER's <i>repex model</i>, provide:</p> <p>(a) In relation to individual asset categories set out in the regulatory templates, provide in a separate document:</p> <ul style="list-style-type: none"> (i) a description of the asset category, including: <ul style="list-style-type: none"> (A) the assets included and any boundary issues (i.e. with other asset categories); (B) an explanation of how these matters have been accounted for in determining quantities in the age profile; (C) an explanation of the main drivers for replacement (e.g. condition, etc.); and (D) an explanation of whether the replacement unit cost provides for a complete replacement of the asset, or some other activity, including an extension of the asset's life (e.g. pole staking) and whether the costs of this extension or other activity are capitalised or not. (ii) an estimate of the proportion of assets replaced for each year of the <i>current regulatory control period</i>, due to: <ul style="list-style-type: none"> (A) aging of existing assets (e.g. condition, obsolesce, etc) that should be largely captured by this form of replacement modelling; (B) replacements due to other factors (and a description of those factors); (C) additional assets due to the augmentation, extension, development of the network; and (D) additional assets due to other factors (and a description of those factors). <p>(b) Justification for the <i>replacement life</i> statistics provided (the mean and standard deviation), including:</p> <ul style="list-style-type: none"> (i) the methodology, data sources and assumptions used to derive the statistics; (ii) the relationship to historical replacement lives for that asset category; and (iii) ActewAGL's views on the most appropriate probability distribution to simulate the replacement needs of that asset category, including matters such as: <ul style="list-style-type: none"> (A) the appropriateness of the normal distribution or another distribution (e.g. the Weibull distribution); (B) the typical age when the "wear out" phase becomes evident; (C) the "skewness" of the distribution; and (D) the process applied to verify that the parameters are a reasonable estimate of the life for the asset category. <p>(c) The derivation of replacement unit costs and asset lives, including any internal documentation or analysis or independent benchmarking, that justifies or supports its cost data. This must cover:</p> <ul style="list-style-type: none"> (i) the methodology, data sources and assumptions used to derive the cost data; (ii) the possibility of double-counting costs in the estimate, and the process applied to ensure this is appropriately accounted for; (iii) the variability in the unit costs between individual asset replacements, and the main drivers of the variability; 	<ul style="list-style-type: none"> (a) Attachment A2: Supplementary Information (b) Attachment A2: Supplementary Information (c) Attachment A2: Supplementary Information (d) Chapter 6: Network planning and Asset management, Chapter 7: Capital expenditure

Item	Detail	Location
	<ul style="list-style-type: none"> (iv) the relationship of the unit cost, and its derivation, to historical replacement costs for that asset category (this should clearly differentiate and quantify any assumed cost difference due to labour/material price changes and other factors); (v) the process applied to verify that the parameter is a reasonable estimate of the unit cost for the asset category; and (vi) identify and provide information or documentation to justify and support any responses to 6.1(c) above. <p>(d) For the previous, current and forthcoming <i>regulatory control periods</i>, explain the drivers or factors that have affected changing network replacement expenditure requirements. Identify and quantify the relative effect of individual matters within the following categories:</p> <ul style="list-style-type: none"> (i) rules, codes, license conditions, statutory requirements; (ii) internal planning and asset management approaches; (iii) measurable asset factors that affect the need for expenditure in this category (e.g. age profiles, risk profiles, condition trend, etc.). Identify and quantify individual factors; (iv) the external factors that can be forecast and the outcome measured (e.g. demand growth, <i>customer numbers</i>) that affect the need for expenditure in this category. Identify and quantify individual factors, covering the forecasts and the outcome (external factors to be discussed here do not relate to changing obligations which are covered in paragraph 4); (v) technology/solutions to address needs, covering: <ul style="list-style-type: none"> (A) network; and (B) non-network. (vi) any other significant matters. <p>The information provided above should at least distinguish between the asset categories defined above.</p> <p>(vii) Identify and provide information or documentation to justify and support any responses to 6.1(d) above.</p>	
<p>7 AUGMENTATION CAPITAL EXPENDITURE MODELLING</p>		
<p>7.1</p>	<p>Any instructions in this <i>Notice</i> relating to the <i>augex model</i> must be read in conjunction with the <i>augex model</i> guidance document available on the AER's website</p>	
<p>7.2</p>	<p>In relation to information provided in <i>regulatory template 2.4</i> and with respect to the AER's <i>augex model</i>, provide:</p> <ul style="list-style-type: none"> (a) Separately for <i>sub-transmission lines, sub-transmission and zone substations, HV feeders and distribution substations</i>, ActewAGL must explain how it: <ul style="list-style-type: none"> (i) Prepared the <i>maximum demand</i> data (weather corrected at 50 per cent <i>probability of exceedance</i>; see Schedule 2 for further guidance) provided in the asset status tables (tables 2.4.1 to 2.4.4), including where relevant: <ul style="list-style-type: none"> (A) how this value relates to the <i>maximum demand</i> that would be used for normal planning purposes; 	<ul style="list-style-type: none"> (a) Attachment A2: Supplementary Information (b) Attachment A2: Supplementary Information (c) Attachment A2: Supplementary Information (d) Attachment A2: Supplementary Information

Item	Detail	Location
(ii)	<p>(B) whether it is based upon a measured value, and if so, where the measurement point is and how abnormal operating conditions are allowed for;</p> <p>(C) whether it is based on estimated (rather than actual measured) demand, and if so, the basis of this estimation process and how it is validated; and</p> <p>(D) The relationship of the values provided to <i>raw unadjusted maximum demand</i>; and the relationship of the values provided to the values that could be expected from weather corrected <i>maximum demand</i> measures that reflect a 10 per cent <i>probability of exceedance</i> year.</p> <p>Determined the rating data provided in the asset status tables (tables 2.4.1 to 2.4.4), including where relevant:</p> <p>(A) the basis of the calculation of the ratings in that segment, including asset data measured and assumptions made; and</p> <p>(B) the relationship of these ratings with ActewAGL's approach to operating and planning the network. For example, if alternative ratings are used to determine the <i>augmentation</i> time, these should be defined and explained.</p> <p>Determined the growth rate data provided in the asset status tables (tables 2.4.1 to 2.4.4). This should clearly indicate how these rates have been derived from <i>maximum demand</i> forecasts or other load forecasts available to ActewAGL.</p>	<p>(e) Chapter 6: Network planning and Asset management, Chapter 7: Capital expenditure</p>
(b)	<p>In relation to the capex-capacity table (table 2.4.6), ActewAGL must explain:</p> <p>(i) the types of cost and activities covered. Clearly indicate what non-field analysis and management costs (i.e. direct overheads) are included in the capex and what proportion of <i>capex</i> these cost types represent;</p> <p>(ii) how it determined and allocated <i>actual capex</i> and capacity to each of the segment groups, covering:</p> <p>(A) the process used, including assumptions, to estimate and allocate expenditure where this has been required; and</p> <p>(B) the relationship of internal financial and/or project recording categories to the segment groups and process used.</p> <p>(iii) how it determined and allocated estimated/<i>forecast capex</i> and capacity to each of the segment groups, covering:</p> <p>(A) the relationship of this process to the current project and program plans; and</p> <p>(B) any other higher-level analysis and assumptions applied.</p>	
(c)	<p>Describe the types of projects and programs ActewAGL has allocated to the unmodelled <i>augmentation</i> categories in table 2.4.6, covering:</p> <p>(i) the proportion of unmodelled <i>augmentation capex</i> due to this project or program type;</p> <p>(ii) the primary drivers of this <i>capex</i>, and whether in ActewAGL's view, there is any secondary relationship to <i>maximum demand</i> and/or utilisation; and</p> <p>(iii) whether the outcome of such a project or program, whether intended or not, should be an increase in the capability of the <i>network</i> to supply <i>customer</i> demand at similar service levels, or the improvement in service</p>	

Item	Detail	Location
	<p>levels for a similar <i>customer</i> demand level.</p> <p>(d) Separately for each <i>network</i> segment that ActewAGL defined in the model segment data table (2.4.5):</p> <ul style="list-style-type: none"> (i) Describe the <i>network</i> segment, including: <ul style="list-style-type: none"> (A) the boundary with other connecting <i>network</i> segments; and (B) the main reasoning for the individual segment (e.g. as opposed to forming a more aggregate segment). (ii) Explain the utilisation threshold statistics provided (i.e. the mean and standard deviation), including: <ul style="list-style-type: none"> (A) the methodology, data sources and assumptions used to derive the parameters; (B) the relationship to internal or external planning criteria that define when an <i>augmentation</i> is required; (C) the relationship to actual historical utilisation at the time that <i>augmentations</i> occurred for that asset category; (D) ActewAGL's views on the most appropriate probability distribution to simulate the <i>augmentation</i> needs of that network segment; and (E) the process applied to verify that the parameters are a reasonable estimate of utilisation limit for the <i>network</i> segment. (iii) Explain the <i>augmentation</i> unit cost and capacity factor provided, including: <ul style="list-style-type: none"> (A) the methodology, data sources and assumptions used to derive the parameters; (B) the relationship of the parameters to actual historical <i>augmentation</i> projects, including the capacity added through those projects and the cost of those projects; (C) the possibility of double-counting in the estimates, and processes applied to ensure that this is appropriately accounted for (e.g. where an individual project may add capacity to various segments); and (D) the process applied to verify that the parameters are a reasonable estimate for the <i>network</i> segment. <p>(e) Explain the significant factors ActewAGL considers may result in different <i>augmentation</i> requirements between itself and other NEM DNSPs, faced with similar asset utilisation and <i>maximum demand</i> growth. Clearly differentiate between those factors that may result in differences between ActewAGL and other DNSPs in the NEM. The explanation should clearly indicate those factors that may impact:</p> <ul style="list-style-type: none"> (i) the maximum achievable utilisation of assets for ActewAGL; and (ii) the likely <i>augmentation</i> project and/or cost. <p>For each significant factor discussed, ActewAGL must indicate relevant model segments and estimate the impact these factors will have on its <i>augmentation</i> levels and associated capex compared to other DNSPs.</p>	
8	DEMAND AND CUSTOMER NUMBER FORECASTS	
8.1	<p>Provide and describe the methodology used to prepare the following forecasts:</p> <ul style="list-style-type: none"> (a) <i>maximum demand</i>; and (b) number of new <i>connections</i>. 	<ul style="list-style-type: none"> (a) Chapter 5: Demand and energy Forecasts (b) Regulatory templates

Item	Detail	Location
8.2	<p>Provide:</p> <ul style="list-style-type: none"> (a) the model(s) ActewAGL used to forecast <i>customer</i> numbers and <i>maximum demand</i>; (b) where ActewAGL's approach to weather <i>correction</i> has changed, provide historically consistent weather corrected <i>maximum demand</i> data, as per the format in <i>regulatory templates</i> 5.3 and 5.4 using ActewAGL's current approach. If this data is unavailable, explain why; (c) for number of new connections, volume data requested in <i>regulatory template</i> 2.5; and (d) any supporting information or calculations that illustrate how information extracted from ActewAGL forecasting model(s) reconciles to, and explains any differences from, information provided in <i>regulatory templates</i> 2.5, 5.3 and 5.4. 	<ul style="list-style-type: none"> (a) Attachment C1: 2013 Peak Demand Forecast (b) N/A (c) Regulatory template (d) N/A
8.3	<p>For each of the methodologies provided and described in response to paragraph 8.1, and, where relevant, data requested under 8.2(b) and 8.2(c), explain:</p> <ul style="list-style-type: none"> (a) the models used; (b) a global (or top-down) and spatial (bottom-up) forecasting processes; (c) the inputs and assumptions used in the models (including in relation to economic growth, customer numbers and policy changes and provide any associated models or data relevant to justifying these inputs and assumptions); (d) the <i>weather correction</i> methodology, how weather data has been used, and how ActewAGL's approach to <i>weather correction</i> has changed over time; (e) an outline of the treatment of <i>block loads</i>, <i>transfers</i> and <i>switching</i> within the forecasting process; (f) any appliance models, where used, or assumptions relating to average <i>customer</i> energy usage (by <i>customer</i> type); (g) how the forecasting methodology used is consistent with, and takes into account, historical observations (where appropriate), including any calibration processes undertaken within the model (specifically whether the load forecast is matched against actual historical load on the system and substations); (h) how the resulting forecast data is consistent across forecasts provided for each network element identified in <i>regulatory template</i> 5.4 and system wide forecasts; (i) how the forecasts resulting from these methods and assumptions have been used in determining the following: <ul style="list-style-type: none"> (i) capital expenditure forecasts; and (ii) operating and maintenance expenditure forecasts. (j) whether ActewAGL used the forecasting model(s) it used in the joint planning process for the purposes of its <i>regulatory proposal</i>; (k) whether ActewAGL forecasts both <i>coincident</i> and <i>non-coincident maximum demand</i> at the feeder, <i>connection point</i>, <i>subtransmission substation</i> and <i>zone substation</i> level, and how these forecasts reconcile with the system 	Attachment C1: 2013 Peak Demand Forecast

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	<p>level forecasts (including how various assumptions that are allowed for at the system level relate to the <i>network</i> level forecasts);</p> <p>(l) whether ActewAGL records historic <i>maximum demand</i> in MW, MVA or both;</p> <p>(m) the <i>probability of exceedance</i> that ActewAGL uses in <i>network planning</i>;</p> <p>(n) the contingency planning process, in particular the process used to assess high system demand;</p> <p>(o) how risk is managed across the network, particularly in relation to load sharing across network elements and non-network solutions to peak demand events;</p> <p>(p) whether and how the <i>maximum demand</i> forecasts underlying the <i>regulatory proposal</i> reconcile with any demand information or related planning statements published by AEMO, as well as forecasts produced by any transmission network service providers connected to ActewAGL's <i>network</i>;</p> <p>(q) how the normal and emergency ratings are used in determining capacity for individual <i>zone substations</i> and <i>sub-transmission lines</i>;</p> <p>(r) where ActewAGL proposes to commence or continue a Demand-Related Capex Project or Program during the <i>Forthcoming regulatory control period</i> on a HV feeder:</p> <p>(i) for each feeder from the <i>zone substation</i> that is the <i>connecting zone substation</i> for the relevant HV feeder, and any other feeders that the relevant HV feeder can transfer load to or from:</p> <p>(A) assumed future load transfers between feeders;</p> <p>(B) assumed feeder underlying load growth rates (exclusive of transfers and specific customer developments); and</p> <p>(C) assumed block loads, and associated demand assumptions;</p> <p>(ii) existing embedded generation capacity, and associated assumptions on the impact on demand levels;</p> <p>(iii) assumed future embedded generation capacity, and associated assumptions on the impact on demand levels;</p> <p>(iv) existing non-network solutions, and the associated assumptions on the impact on demand levels;</p> <p>(v) assumed future non-network solutions, and associated assumptions on the impact on demand levels; and</p> <p>(vi) the diversity between feeders;</p> <p>(s) where ActewAGL proposes to commence or continue a Demand-Related Capex Project or Program during the <i>Forthcoming regulatory control period</i> on a zone substation (or relevant substations for a sub-transmission line):</p> <p>(i) assumed future load transfers between related substations;</p> <p>(ii) assumed underlying load growth rates (exclusive of transfers and specific customer developments);</p> <p>(iii) assumed specific customer developments, and associated demand assumptions;</p> <p>(iv) existing <i>embedded generation</i> capacity, and associated assumptions on the impact on demand levels;</p> <p>(v) assumed future <i>embedded generation</i> capacity, and associated assumptions on the impact on demand levels;</p> <p>(vi) existing non-network solutions, and the associated assumptions on the impact on demand levels;</p> <p>(vii) assumed future non-network solutions, and associated assumptions on the impact on demand levels; and</p>	

<i>Item</i>	<i>Detail</i>	<i>Location</i>
	(viii) diversity with related substations.	
8.4	Provide: (a) evidence that any independent verifier engaged has examined the reasonableness of the method, processes and assumptions in determining the forecasts and has sufficiently capable expertise in undertaking a verification of forecasts; and (b) all documentation, analysis and models evidencing the results of the independent verification	Attachment C2: Review of Demand Forecast Methodology (Jacobs SKM)
9	CONNECTIONS EXPENDITURE REQUIREMENTS	
9.1	Provide and describe the methodology and assumptions used to prepare the forecasts of connection works as part of the connections program, including: (a) Estimation of connection unit costs for each customer type; and (b) Connection volumes for each customer type.	Basis of preparation
9.2	ActewAGL must provide the estimation of customer contributions based upon the estimated life and revenue to be recovered from connection assets, including: (a) the expected life of the connection; (b) the average consumption expected by the customer over the life of the connection; and (c) any other factors that influence the expected recovery of the distribution network use of system charge to customers.	Chapter 7: Capital expenditure
10	OPERATING AND MAINTENANCE EXPENDITURE	
	Total forecast operating and maintenance expenditure (opex)	
10.1	Provide: (a) the model(s) and the methodology ActewAGL used to develop its total forecast opex; (b) justification for ActewAGL's total forecast opex, including: (i) why the total forecast opex is required for ActewAGL to achieve each of the objectives in clause 6.5.6(a) of the NER; (ii) how ActewAGL's total forecast opex reasonably reflects each of the criteria in clause 6.5.6(c) of the NER; and (iii) how ActewAGL's total forecast opex accounts for the factors in clause 6.5.6(e) of the NER;	(a) Attachment B14: Total forecast: operating expenditure model (b) Chapter 8: Operating expenditure
10.2	Provide: (a) the quantum of non-recurrent costs for each year of the forthcoming regulatory control period; and (b) an explanation of each non-recurrent cost;	Chapter 8: Operating expenditure

Item	Detail	Location
10.3	<p>if ActewAGL used a revealed cost <i>Base year</i> approach to develop its total forecast opex, provide:</p> <p>(a) the <i>Base year</i> ActewAGL used; and</p> <p>(b) explanation and justification for why that <i>Base year</i> represents efficient and recurrent costs;</p>	Chapter 8: Operating Expenditure
10.4	<p>If ActewAGL did not use a revealed cost <i>Base year</i> approach to develop its total forecast opex, provide:</p> <p>(a) forecast expenditure by Opex Category for each year of the forthcoming regulatory control period in:</p> <p>(i) Table 2.16.2 for standard control services opex; and</p> <p>(ii) if ActewAGL owns any dual function assets, Table 2.16.4 for dual function assets opex;</p> <p>(b) in Microsoft Excel format, clear reconciliation (including all calculations and formulae) of ActewAGL's total forecast opex to:</p> <p>(i) forecast standard control services opex by driver in Table 2.16.1;</p> <p>(ii) forecast standard control services opex by Opex Category in Table 2.16.2; and</p> <p>(iii) if ActewAGL owns any dual function assets, Table 2.16.3 and Table 2.16.4 for dual function assets opex by Opex Category and driver, respectively;</p> <p>(c) explanation of major drivers for the increases and decreases in expenditure by Opex Category in the forthcoming regulatory control period compared to actual historical expenditure;</p> <p>(d) explanation and justification for:</p> <p>(i) whether ActewAGL considers there is a year of historic opex that represents efficient and recurrent costs; or</p> <p>(ii) why ActewAGL considers no year of historic opex represents efficient and recurrent costs.</p>	<p>(a) Regulatory templates</p> <p>(b) Regulatory templates</p> <p>(c) Chapter 8: Operating expenditure</p> <p>(d) Chapter 8: Operating expenditure</p>
Output growth		
10.5	<p>Provide the amount of total forecast opex attributable to output growth changes for each year of the forthcoming regulatory control period in:</p> <p>(a) Table 2.16.1 for standard control services opex; and</p> <p>(b) if ActewAGL owns any dual function assets, Table 2.16.3 for dual function assets opex;</p>	Regulatory templates
10.6	<p>Provide:</p> <p>(a) the output growth drivers ActewAGL used to develop the amount of total forecast opex attributable to output growth changes;</p> <p>(b) any economies of scale factors applied to the growth drivers;</p> <p>(c) evidence that the growth drivers explain cost changes due to output growth; and</p> <p>(d) if ActewAGL applied any composite multiple output growth drivers:</p> <p>(i) the inputs for each composite multiple output growth driver; and</p> <p>(ii) the weightings for each input;</p>	Chapter 8: Operating expenditure

<i>Item</i>	<i>Detail</i>	<i>Location</i>
10.7	Provide an explanation of how, in developing the amount of total forecast opex attributable to output growth changes, ActewAGL: (a) applied the output growth drivers; and (b) accounted for economies of scale.	Chapter 8: Operating expenditure
	Real price changes	
10.8	Provide the amount of total forecast opex attributable to changes in the price of labour and materials for each year of the forthcoming regulatory control period in: (a) Table 2.16.1 for standard control services opex; and (b) if ActewAGL owns any dual function assets, Table 2.16.3 for dual function assets opex;	Regulatory templates
10.9	Provide an explanation of: (a) how, in developing the amount of total forecast opex attributable to changes in the price of labour and materials, ActewAGL applied the real price measures in regulatory template 2.14; and (b) whether ActewAGL's labour price measure compensates for any form of labour productivity change.	Chapter 8: Operating expenditure
	Productivity change	
10.10	Provide the amount of total forecast opex attributable to changes in productivity for each year of the <i>forthcoming regulatory control period</i> in: (a) Table 2.16.1 for <i>standard control services</i> opex; and (b) if ActewAGL owns any <i>dual function assets</i> , Table 2.16.13 for <i>dual function assets</i> opex;	Regulatory templates
10.11	Provide, in percentage year on year terms, the productivity measure that ActewAGL used to develop the amount of total forecast opex attributable to changes in productivity	Chapter 8: Operating expenditure
10.12	Provide an explanation of: (a) how, in developing the amount of total forecast opex attributable to changes in productivity, ActewAGL applied the productivity measure in 10.11; (b) whether ActewAGL's forecast productivity changes capture the historic trend of cost increases due to changes in regulatory obligations or requirements and industry best practice; and ✓ (c) whether ActewAGL's productivity measure includes productivity change compensated for by the labour price measure used by ActewAGL to forecast the change in the price of labour.	Chapter 8: Operating expenditure
	Opex step changes	
10.13	Provide the amount of total forecast opex attributable to opex step changes for each year of the <i>forthcoming</i>	Regulatory templates

Item	Detail	Location
	<p><i>regulatory control period</i> in:</p> <p>(a) Table 2.16.1 for standard control services opex; and</p> <p>(b) if ActewAGL owns any <i>dual function assets</i>, Table 2.16.3 for <i>dual function assets</i> opex;</p>	
10.14	<p>Provide an explanation of why ActewAGL considers:</p> <p>(a) the efficient costs of the Step change are not provided by other components of ActewAGL’s total forecast opex such as base opex, output growth changes, real price changes or productivity change;</p> <p>(b) the total forecast opex will not allow ActewAGL to achieve the objectives in clause 6.5.6(a) of the NER unless the Step change is included; and</p> <p>(c) (c) the total forecast opex will not reasonably reflect the criteria in clause 6.5.6(c) of the NER unless the Step change is included.</p>	Attachment B10: Operating expenditure step changes
	Vegetation management	
10.15	Provide compliance audits of <i>vegetation management</i> work conducted by ActewAGL during the <i>current regulatory control period</i> .	Attachment A2: Supplementary Information
11	RISK MANAGEMENT AND INSURANCE	
	Risk Management Framework	
11.1	<p>Provide information that sets out ActewAGL’s governance arrangements in relation to the management of risk, including:</p> <p>(a) a risk appetite statement, which details the level of risk ActewAGLs board is willing to accept including the nature and level of risks and the level of loss that can be sustained;</p> <p>(b) a risk management strategy that describes ActewAGL’s strategy for managing risk and the key elements of the risk management framework that give effect to this strategy; and</p> <p>(c) any other information that demonstrates ActewAGL’s governance arrangements in relation to risks and their management.</p>	Attachment A2: Supplementary information
11.2	<p>General instructions:</p> <p>(a) Table 2.15.1 must provide a summary of all ActewAGL’s proposed insurance costs.</p> <p>(b) Tables 2.15.2 and 2.15.3 seek more detailed information regarding total property and liability premiums only. The total property premiums forecast in table 2.15.2 must equal the sum of the premium forecasts classed as property insurance in table 2.15.1. The total liability forecast in table 2.15.3 must equal the sum of the premium forecasts classed as liability insurance in table 2.15.1.</p> <p>(c) Amounts are exclusive of GST.</p>	Regulatory templates

Item	Detail	Location
11.3	<p>Provide the following information for each commercially insured risk listed in table 2.15.1:</p> <ul style="list-style-type: none"> (a) the name and description of each insured risk, including policy limits and sublimits; (b) a description of the general method used to forecast premiums (this may be in the form of an insurance premium forecast report by a qualified risk specialist); and (c) any changes in insurance cover between the current and forthcoming regulatory control periods. 	Regulatory templates
11.4	<p>Provide the following information regarding total property and total liability insurance reported in tables 2.15.2 and 2.15.3 respectively:</p> <ul style="list-style-type: none"> (a) a description of the systematic drivers of insurance premiums; (b) a description of the circumstances that have led to any premium changes over the current regulatory control period; (c) a description of the method used to forecast premiums for the forthcoming regulatory control period, including estimated exposure growth and premium rate changes and any other adjustments made. Provide supporting evidence for exposure, premium rate changes, or any other proposed adjustments; and (d) an explanation of how the value of insured assets is derived for property insurance (e.g. replacement costs, insured value etc.). 	Regulatory templates and Attachment A2: Supplementary information
11.5	<p>Where insurance is shared with other entities, provide:</p> <ul style="list-style-type: none"> (a) an explanation of the cost allocation approach used for each risk class; (b) cost allocations (percentage) by risk class for the <i>current regulatory control periods</i>; and (c) the cost allocation (percentage) that underlies forecast premiums for the <i>forthcoming regulatory control period</i>. If the proportion allocated to ActewAGL has changed, explain why. 	Attachment A2: Supplementary information
11.6	<p>Provide a report from an appropriately qualified risk specialist verifying that ActewAGL's forecast insurance premiums are efficient.</p>	Attachment A2: Supplementary information
Self-insurance		
11.7	<p>For each risk for which ActewAGL is proposing a self-insurance allowance in the <i>regulatory proposal</i>:</p> <ul style="list-style-type: none"> (a) provide a description of the risk and risk exposure including cover, exclusions and limit; (b) explain how each self-insurance allowance has been calculated describing the modelling and detailing key assumptions; (c) provide a record of historic losses and claims against the self-insurance fund as far as records allow; (d) explain why compensation should be provided for the risk. Where insurance is available from a commercial insurer and an insurance quote has been obtained, provide evidence that it is more efficient to self-insure for 	No self-insurance allowance is proposed.

Item	Detail	Location
	<p>that risk;</p> <p>(e) confirm that the risk for which self-insurance is being sought is not recovered through any other mechanism; and</p> <p>(f) (f) explain why, if a self-insurance allowance has not been sought for a particular risk in the 2009–10 to 2013–14 <i>regulatory control period</i>, it is being sought in the 2014–15 to 2018–19 <i>regulatory control period</i>.</p>	
11.8	<p>If ActewAGL is proposing self-insurance for <i>asset failure</i> risk in the revenue proposal:</p> <p>(a) provide:</p> <p>(i) the annual number of failures for each asset category for which selfinsurance is being sought</p> <p>(ii) the historical costs for each <i>asset failure</i></p> <p>(iii) a description of what those costs relate to, including any split between capex and opex.</p> <p>(b) explain:</p> <p>(i) where the self-insurance allowance is not based on the actual historical <i>asset failure</i> rates and costs, how the allowance has been forecast and why it is efficient</p> <p>(ii) how the proposed capex has been taken into account in calculating the probability of <i>asset failure</i> for each asset category for which self-insurance is being sought.</p>	No self-insurance allowance is proposed.
11.9	Provide a report from an appropriately qualified actuary or risk specialist verifying the calculation of risk and corresponding self-insurance premiums.	No self-insurance allowance is proposed.
12	ALTERNATIVE CONTROL SERVICES AND OTHER ACTIVITIES	
12.1	The <i>overheads</i> relating to each <i>alternative control service</i> or Other Activity must be disclosed in accordance with paragraph 12.2.	Chapter 15: Alternative control services Attachment B18: Cost Allocation Methodology
12.2	Provide a list of all of the individual services that ActewAGL intends to provide to customers and levy charges for in the <i>forthcoming regulatory control period</i> that fit within the broader definitions of <i>distribution</i> services that the AER proposed to classify as <i>alternative control services</i> in the Framework and Approach Paper.	Chapter 15: Alternative control services
12.3	Provide a definition of each <i>alternative control service</i> listed in paragraphs 13, 14 and 15, where ActewAGL proposes a classification different to that in the Framework and Approach Paper.	N/A
12.4	For each <i>alternative control service</i> listed in paragraphs 13, 14 and 15, specify the charges applicable during each year of the <i>current regulatory control period</i> . Also include proposed charges for each year of the <i>forthcoming regulatory control period</i> .	Attachment A2: Supplementary information
12.5	For each <i>alternative control service</i> listed in paragraphs 13, 14 and 15, specify the total revenue earned by ActewAGL	Attachment A2: Supplementary

Item	Detail	Location
	in each year of the <i>current regulatory control period and forthcoming regulatory control period</i> .	information
12.6	For metering and public lighting alternative control services, specify the number of customers in each year of the <i>current regulatory control period</i> , and forecasts for the <i>forthcoming regulatory control period</i> .	Attachment A2: Supplementary information
12.7	For each <i>alternative control service</i> listed in paragraphs 12, 13 and 14, provide the labour rate(s) used to calculate the charges for the <i>current and forthcoming regulatory control periods</i> (a) Specify the <i>labour classification level</i> used to provide the services e.g. outsourced or internally provided and labourer type. (b) List all <i>direct costs</i> , and their quantum, in the make-up of the labour rate(s)	Regulatory templates
12.8	List each material category (e.g. meters, poles, brackets) required for the provision of <i>alternative control services</i> listed in the response to paragraphs 12, 13 and 14. (a) Provide a description of each material category (b) Provide the average unit costs for each material category (c) List all <i>direct costs</i> included in the unit costs (d) Specify the calculation of the quantum of <i>direct materials costs</i> included in the unit cost of materials.	Regulatory templates
13	FEE BASED AND QUOTED ALTERNATIVE CONTROL SERVICES	
13.1	Provide a description of each <i>fee based and quoted service</i> , explaining the purpose of the service and list the activities which comprise each service. The list of <i>fee based and quoted services</i> should be consistent with those services listed in ActewAGL's annual tariff proposals. (a) Specify if the charges are for <i>fee based and/or quoted alternative control services</i> ; (b) Explain the reasons for the different charge with reference to the costs incurred; (c) Explain the method used to set the different charge; and (d) Provide the calculations underpinning the different charge.	Chapter 15: Alternative control services, Attachment B21: Ancillary services costing model
13.2	Identify the tasks involved in providing the service in <i>regulatory templates</i> 4.3 and 4.4 (a) Map the class of labour required to provide the service listed in <i>regulatory templates</i> 4.3 and 4.4. (b) <i>templates</i> 4.3 and 4.4. (c) The number of workers required to undertake the task and deliver the service (d) The average time required to complete the task and deliver the service	Attachment B21: Ancillary services costing model
13.3	If materials are required to provide the service, specify each material category	Attachment B21: Ancillary services costing model

Item	Detail	Location
13.4	Provide all current and proposed charges for each <i>fee based</i> and <i>quoted alternative control service</i> in the current and <i>forthcoming regulatory control periods</i> .	Attachment A2: Supplementary information
14	METERING ALTERNATIVE CONTROL SERVICES	
14.1	<p>For meter types 4, 5 and 6, for the <i>current regulatory control period</i> and forecast for the <i>forthcoming regulatory control period</i>, provide details of the:</p> <ul style="list-style-type: none"> (a) <i>Direct materials</i> and <i>direct labour costs</i>; (b) Installation costs; (c) Meter purchase costs; (d) Volumes of work; (e) Other costs associated with providing metering services; (f) Type of meters installed and forecast to be installed, separately for new meters and for replacement meters; (g) The volume of meters by type set out in (f) and the revenue earned and forecast to be earned by each meter type; and (h) The total operating and <i>maintenance</i> costs incurred, and forecast to be incurred, for metering services. 	Regulatory templates
14.2	<p>For metering works, for each year of the <i>current regulatory control period</i> and forecasts for the <i>forthcoming regulatory control period</i>, provide a description of:</p> <ul style="list-style-type: none"> (a) The type of work undertaken (e.g. <i>meter reconfiguration</i>, <i>special meter read</i>) including a description of the activities undertaken to provide the service; (b) The <i>labour costs</i> involved in providing the service, including any <i>overheads</i>; (c) Any materials costs involved in providing the service; (d) The number (volume) of services provided and associated assumptions on which the volume of service was derived or estimated; (e) The charge per service; and (f) The revenue earned by each service. 	<ul style="list-style-type: none"> (a) Chapter 15: Alternative control services (b) Regulatory templates (c) Regulatory templates and basis of preparation (d) Regulatory templates and basis of preparation (e) Attachment A2: Supplementary information (f) Attachment A2: Supplementary information
15	PUBLIC LIGHTING ALTERNATIVE CONTROL SERVICES	
15.1	Specify which items are capital expenditure and operational expenditure for each year of the <i>current regulatory control period</i> and forecasts for the <i>forthcoming regulatory control period</i> .	Not Applicable.
15.2	<p>Provide unit costs for the <i>current regulatory control period</i> and forecast for the <i>forthcoming regulatory control period</i> for:</p> <ul style="list-style-type: none"> (a) Luminaires; 	Not Applicable.

Item	Detail	Location
	(b) Dedicated street lighting poles; (c) Brackets; (d) Lamps; (e) Photoelectric cells; (f) Labour rate (per hour); (g) Miscellaneous materials.	
15.3	Provide the depreciation period in years for each type of luminaire.	Not Applicable.
15.4	Provide the bulk change cycle in years for lamps and photoelectric cells.	Not Applicable.
15.5	Provide details of the average replacement age of each type of luminaire	Not Applicable.
15.6	Provide the number of luminaires, by type.	Not Applicable.
15.7	Provide the number of luminaires, poles and brackets replaced per year, for the current and <i>forthcoming regulatory control periods</i> .	Not Applicable.
15.8	Provide details, including assumptions used, for any other costs that are incurred for the provision of <i>public lighting services</i> .	Not Applicable.
15.9	Provide models and/or modelling that underpins proposed charges for the <i>forthcoming regulatory control period</i> and the reasons for the assumptions behind those forecasts.	Not Applicable.
16	ECONOMIC BENCHMARKING	
16.1	Complete the Economic Benchmarking <i>regulatory templates</i> (3.1 to 3.7) in accordance with: <ul style="list-style-type: none"> (a) The instructions and definitions for variables within: Economic benchmarking RIN For distribution network service providers Instructions and Definitions ActewAGL Distribution (ABN (ABN 76 670 568 688)) November 2013 (b) and the instructions in paragraphs 16.1 to 16.4. 	Regulatory templates
16.2	The instructions in paragraphs 16.2(a) to 16.2(f) take precedence over those in Economic benchmarking RIN For distribution network service providers Instructions and Definitions ActewAGL Distribution (ABN (ABN 76 670 568 688)) November 2013. <ul style="list-style-type: none"> (a) The forecast revenue groupings in tables 3.1.1 and 3.1.2 may be developed by trending forward actual historical revenue groupings in previous regulatory years. However: <ul style="list-style-type: none"> (i) Total revenues must equal total forecast revenues as proposed by (ii) ActewAGL in its revenue proposal, and Revenue groupings must reflect ActewAGL's forecast demand for its services in the Forthcoming Regulatory Control Period in its revenue proposal 	Regulatory templates

Item	Detail	Location
	<ul style="list-style-type: none"> (b) The definition of a <i>tree</i> must be applied when completing the variables “Average number of trees per urban and CBD vegetation maintenance span” (DOEF0208) and “Average number of trees per rural vegetation maintenance span” (DOEF0209) (c) In calculating responses to the variables DOEF0202 to DOEF0205, spans in the network service area where ActewAGL is not responsible for the vegetation management associated with the span are not to be counted. (d) “Total number of spans” (DOEF0205) does not include service line spans. (e) ActewAGL must report the route line length of feeders classified as either short rural or long rural divided by the total route feeder line length (this is the total feeder route line length for all CBD, urban, short rural and long rural feeders) against “Rural proportion” (DOEF0201). (f) For the purposes of calculating the “Route line length” variable (DOEF0301) or other variables measured in terms of route line length: <ul style="list-style-type: none"> (i) The length of service lines are not to be counted (ii) the length of a span that shares multiple voltage levels is only to be counted once (iii) the lengths of two sets of lines that run on different sets of poles (or towers) but share the same easement are counted separately 	
16.3	<p>All forecast variables in the Economic Benchmarking <i>regulatory templates</i> must align with those in ActewAGL’s <i>regulatory proposal</i>. For the avoidance of doubt this includes forecast:</p> <ul style="list-style-type: none"> (a) opex and capex; (b) <i>Maximum demand, customer numbers, Energy delivery</i>; (c) Revenues; (d) quality of services variables including SAIDI , SAIFI and MAIFI; and (e) Quantities of physical assets 	All forecast variables in the Economic benchmarking regulatory template align with ActewAGL Distribution’s regulatory proposal.
16.4	RAB asset financial data in the Assets (RAB) <i>regulatory template</i> must reconcile to that in in ActewAGL’s PTRM and RFM.	The RAB asset financial data reconciles to that in ActewAGL’s PTRM and RFM.
17	PROVISIONS	
17.1	<p>For each of ActewAGL’s provisions, provide the information required in <i>regulatory template 2.13</i> in accordance with:</p> <ul style="list-style-type: none"> (a) <i>regulatory template 2.13</i>; and (b) Australian Accounting Standard AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> 	Regulatory templates
17.2	<p>If, in a given year, there is an increase in the amount of a provision, provide reasons for this increase, including:</p> <ul style="list-style-type: none"> (a) the expected timing of any resulting outflows of economic benefits; (b) an explanation of the uncertainties about the amounts or timing of the outflows; (c) supporting consultant’s advice, including actuarial reports; and 	Attachment A2: Supplementary information

Item	Detail	Location
	(d) if there is no supporting consultant’s advice, the process and assumptions ActewAGL used in determining the increase in the provision.	
17.3	Provide the allocation of the movement in total provisions in <i>regulatory template</i> 2.13, Table 2.13.2 to: (a) opex; (b) as-incurred capex by <i>roll forward model</i> asset class; and (c) other, where the movement in the provision is neither capex nor opex.	Regulatory templates
17.4	Identify and explain any assumptions applied for the allocation of asset class provided under paragraphs 17.3(b).	N/A
18	FORECAST PRICE CHANGES	
18.1	Provide, in <i>regulatory template</i> 2.14, the labour and material price changes assumed by ActewAGL in estimating ActewAGL's <i>forecast capex</i> proposal and the <i>forecast opex</i> proposal. All price changes must be expressed in percentage year on year real terms.	Regulatory template
18.2	Provide: (a) the model(s) used to derive and apply the materials price changes, including model(s) developed by a third party; (b) in relation to labour escalators, a copy of the current Enterprise Bargaining Agreement or equivalent agreement; and (c) evidence that the forecast price changes accurately explain the change in the price of goods and services purchased by ActewAGL, including evidence that any materials price forecasting method explains the price of materials previously purchased by ActewAGL.	Attachment A2: Supplementary information
18.3	In ActewAGL’s Basis of Preparation, explain: (a) the methodology underlying the calculation of each price change, including: (i) sources; (ii) data conversions; (iii) the operation of any model(s) provided under paragraph 18.2(a); and (iv) the use of any assumptions such as lags or productivity gains; (b) whether the same price changes have been used in developing both the <i>Forecast capex</i> Proposal and <i>forecast opex</i> proposal; and (c) if the response to paragraph 18.3 is negative, why it is appropriate for different expenditure escalators to apply.	Basis of preparation
18.4	If an agreement provided in response to paragraph 18.2(b) is due to expire during the <i>Forthcoming regulatory control period</i> , explain the progress and outcomes of any negotiations to date to review and replace the current	Attachment A2: Supplementary information.

Item	Detail	Location
	agreement.	
19	RELATED PARTY TRANSACTIONS	
19.1	Identify and describe all other entities which: <ul style="list-style-type: none"> (a) are a <i>related party</i> to ActewAGL and contribute to the provision of distribution services; or (b) have the capacity to determine the outcome of decisions about ActewAGL’s financial and operating policies. 	Attachment A2: Supplementary information
19.2	Provide a diagram of the organisational structure depicting the relationships between all the entities identified in the response to paragraph 19.1.	Attachment A2: Supplementary information
19.3	Identify: <ul style="list-style-type: none"> (a) all arrangements or contracts between ActewAGL and any of the other entities identified in the response to paragraph 19.1 which relate directly or indirectly to the provision of <i>distribution services</i>; and (b) the service or services the subject of each arrangement or contract. 	Attachment A2: Supplementary information
19.4	For each service identified in the response to paragraph 19.1: <ul style="list-style-type: none"> (a) provide: <ul style="list-style-type: none"> (i) a description of the process used to procure the service; and (b) supporting documentation including, but not limited to, requests for tender, tender submissions, internal committee papers evaluating the tenders, contracts between ActewAGL and the relevant provider; (c) explain: <ul style="list-style-type: none"> (i) why that service is the subject of an arrangement or contract (i.e. why it is outsourced) instead of being undertaken by ActewAGL itself; (ii) whether the services procured were provided under a standalone contract or provided as part of a broader operational agreement (or similar); (iii) whether the services were procured on a genuinely competitive basis and if not, why; and (iv) whether the service (or any component thereof) was further outsourced to another provider. 	Attachment A2: Supplementary information
20	PROPOSED CONTINGENT PROJECTS	
20.1	For each contingent project proposed in the <i>regulatory proposal</i> , provide: <ul style="list-style-type: none"> (a) a description of the <i>proposed contingent project</i>, including reasons why ActewAGL considers the project should be accepted as a <i>contingent project</i> for the <i>forthcoming regulatory control period</i>; (b) the <i>proposed contingent capital expenditure</i> which ActewAGL considers is reasonably required for the purpose of undertaking the <i>proposed contingent project</i>; (c) the methodology used for developing that forecast and the key assumptions that underlie it; 	No contingent projects have been proposed.

Item	Detail	Location
	<p>(d) information that demonstrates that the undertaking of the <i>proposed contingent project</i> is reasonably required to meet one or more of the objectives referred to in clause 6.6A.1(b)(1) of the NER;</p> <p>(e) a demonstration that the proposed contingent capital expenditure for each proposed contingent project:</p> <ul style="list-style-type: none"> (i) is not included (either in part or in whole) in ActewAGL's proposed total forecast capital expenditure for the <i>forthcoming regulatory control period</i>; (ii) reasonably reflects the capital expenditure criteria, taking into account the capital expenditure factors, in the context of the proposed contingent project; and (iii) exceeds either \$30 million or 5 per cent of ActewAGL's proposed annual revenue requirement for the first year of the <i>forthcoming regulatory control period</i>, whichever is larger amount. <p>(f) the proposed trigger events relating to the proposed contingent project.</p>	
20.2	<p>For each proposed <i>trigger event</i> relating to the <i>proposed contingent project</i> referred to in 20.1(f), demonstrate:</p> <ul style="list-style-type: none"> (a) the proposed <i>trigger event</i> is reasonably specific and capable of objective verification (b) the occurrence of the proposed <i>trigger event</i> makes the undertaking of the <i>proposed contingent project</i> reasonably necessary in order to achieve any of the <i>capital expenditure objectives</i>; (c) the proposed <i>trigger event</i> generates increased costs or categories of costs that relate to a specific location rather than a condition or event that affects the <i>distribution network</i> as a whole; (d) the proposed <i>trigger event</i> is described in such terms that the occurrence of that event or condition is all that is required for the <i>distribution determination</i> to be amended under clause 6.6A.2 of the NER; (e) the proposed <i>trigger event</i> is a condition or event, the occurrence of which is probable during <i>forthcoming regulatory control period</i>, but the inclusion of capital expenditure in relation to the proposed <i>trigger event</i> under clause 6.5.7 of the NER is not appropriate because: <ul style="list-style-type: none"> (i) it is not sufficiently certain that the event or condition will occur during the <i>forthcoming regulatory control period</i> or if it may occur after that <i>regulatory control period</i> or not at all; or (ii) the costs associated with the event or condition are not sufficiently certain 	No contingent projects have been proposed.
20.3	Provide a summary of ActewAGL's proposed contingent projects for the forthcoming regulatory control period including the proposed contingent capital expenditure and trigger events for each proposed contingent project in the regulatory template 7.2	No contingent projects have been proposed.
21	NON-NETWORK ALTERNATIVES	
21.1	Identify the <i>Policies and Strategies</i> and <i>Procedures</i> which relate to the selection of efficient non-network solutions.	Chapter 6: Network planning and Asset management
21.2	Explain the extent to which the provision for efficient non-network alternatives has been considered in the development of the <i>forecast capex</i> proposal and the <i>forecast opex</i> proposal.	Chapter 6: Network planning and Asset management

<i>Item</i>	<i>Detail</i>	<i>Location</i>
21.3	Identify each non-network <i>Project</i> that ActewAGL has: (a) commenced during the <i>current regulatory control period</i> ; and (b) selected to commence during, or will continue into, the <i>Forthcoming regulatory control period</i> .	Chapter 6: Network planning and Asset management
21.4	For each non-network <i>Project</i> identified in the response to paragraph 21.3, provide a description, including cost and location.	Chapter 6: Network Planning and Asset management
21.5	Provide, for each year of the <i>current regulatory control period</i> , and for the <i>forthcoming regulatory control period</i> , details of each payment made, or expected to be made, by ActewAGL to an Embedded Generator in reflection any costs avoided by deferring augmentation of: (a) ActewAGL's distribution network; or (b) the relevant transmission network.	Not Applicable.
22	EFFICIENCY BENEFIT SHARING SCHEME	
22.1	To calculate the carryover amounts that arise from applying the efficiency benefit sharing scheme during ActewAGL's <i>current regulatory control period</i> : (a) provide the forecast and actual operating expenditure amounts in <i>regulatory template 7.5</i> ; (b) identify all changes to ActewAGL's Capitalisation Policy during the <i>current regulatory control period</i> .	(a) Regulatory templates (b) ActewAGL Distribution has not changed the capitalisation policy during the current regulatory period.
22.2	For each change identified in the response to paragraph 22.1(b): (a) state, if any, the financial impact of the change; (b) state the reasons for the change; (c) explain the effect of the change, if any, on the forecast operating expenditure for each year of ActewAGL's <i>current regulatory control period</i> ; and (d) (d) explain the effect of the change, if any, on the actual operating expenditure for each year of ActewAGL's <i>current regulatory control period</i> .	The capitalisation policy has not been changed during the current regulatory period.
22.3	For the purposes of applying the efficiency benefit sharing scheme: (a) identify all cost categories proposed to be excluded from the operation of the efficiency benefit sharing scheme; (b) explain for each cost category identified in the response to paragraph 22.3(a) the reasons for the proposed exclusion.	Chapter 16: Incentive schemes
23	SERVICE AND QUALITY	
23.1	Provide ActewAGL's detailed methodology for calculating the following parameters used in the Service Target Performance Incentive Scheme (STPIS);	(a) Chapter 16: Incentive schemes; Attachment F2: STPIS reliability performance targets

Item	Detail	Location
	<p>(a) the SAIDI, SAIFI and MAIFI targets for each supply reliability area;</p> <p>(b) the <i>customer</i> service parameters and targets;</p> <p>(c) daily SAIDI, SAIFI, MAIFI and <i>customer</i> service performance derived from the individual interruption data under 23.2;</p> <p>(d) the MED threshold derived from the daily SAIDI data;</p> <p>(e) The incentive rates to apply to each supply reliability area.</p> <p>Note: All calculations must be made in accordance with the STPIS and using data which complies with the STPIS definitions.</p>	<p>(b) Basis of preparation</p> <p>(c) Basis of preparation, Attachment F2: STPIS reliability performance targets</p> <p>(d) Basis of preparation and Attachment F2: STPIS reliability performance targets</p> <p>(e) Chapter 16: Incentive schemes and Attachment F1: STPIS reliability incentive rates 2015-2019</p>
23.2	<p>Details of all interruptions that occurred in the 2008-09 to 2012-13 regulatory years must be provided in <i>regulatory template</i> 6.3, in accordance with the instructions and definitions contained in this <i>Notice</i> and definitions contained in the STPIS.</p>	(a) Regulatory template
23.3	<p>If ActewAGL proposes adjustments to the STPIS targets away from those based upon raw historical data ActewAGL must provide:</p> <p>(a) the reasons for the change;</p> <p>(b) the quantum of the adjustment, and the effect of the adjustment on the targets for each of the supply reliability areas; and</p> <p>(c) the method, basis and empirical data used as justification for the adjustment.</p>	<p>(a) Chapter 16: Incentive schemes</p> <p>(b) Chapter 16: Incentive schemes</p> <p>(c) Attachment F2: STPIS reliability performance targets</p>
24	SHARED ASSETS	
24.1	<p>Provide ActewAGL's <i>shared assets</i> information in <i>Regulatory template</i> 7.4.</p>	Regulatory templates
25	REVENUES AND PRICES FOR STANDARD CONTROL SERVICES	
25.1	<p>Provide ActewAGL's calculation of the unsmoothed and smoothed revenues, and prices for the purposes of the control mechanism proposed by ActewAGL using the <i>AER's post-tax revenue model</i>, which is to be submitted as part of the <i>regulatory proposal</i>.</p>	Chapter 12: Revenue requirement and PTRMs attachments.
25.2	<p>Provide details of any departure from the <i>AER's post-tax revenue model</i> for the calculations referred in paragraph 25.1 and the reasons for that departure.</p>	No departures.
26	INDICATIVE IMPACT ON ANNUAL ELECTRICITY BILLS	
26.1	<p>For the purposes of calculating the impact of ActewAGL's <i>Regulatory proposal</i> on the annual electricity bill of typical residential and business <i>customers</i> in the Australian Capital Territory, provide the data/information required in <i>regulatory template</i> 7.6. Provide the data source for each input used for the calculation.</p>	Basis of preparation

<i>Item</i>	<i>Detail</i>	<i>Location</i>
27	REGULATORY ASSET BASE	
27.1	Provide ActewAGL's calculation of the regulatory asset base for the relevant distribution system in respect of standard control services for each regulatory year of <i>current regulatory control period</i> using the AER's <i>roll forward model</i> , which is to be submitted as part of the <i>regulatory proposal</i>	Chapter 9: Regulatory asset base and RFMs attachments.
27.2	Provide details of any departure from the underlying methods in the AER's <i>roll forward model</i> for the calculation referred in 27.1 and the reasons for that departure.	No departures.
27.3	If the value of the RAB as at the start of the <i>forthcoming regulatory control period</i> is proposed to be adjusted because of changes to asset service classification, provide details including relevant supporting information used to calculate that adjustment value.	Dual function assets have been excluded from the distribution regulatory asset base, see Chapter 9: Regulatory asset base.
28	DEPRECIATION SCHEDULES	
28.1	Provide ActewAGL's calculation of the depreciation amounts for the relevant distribution system in respect of standard control services for each regulatory year of: (a) the <i>current regulatory control period</i> using the AER's <i>roll forward model</i> , which is to be submitted as part of the <i>regulatory proposal</i> (b) the <i>forthcoming regulatory control period</i> using the AER's <i>post-tax revenue model</i> , which is to be submitted as part of the <i>regulatory proposal</i> .	This is included in the RFM attachments, see Chapter 9: Regulatory asset base.
28.2	Provide details of any departure from the underlying methods in the AER's <i>roll forward model</i> and <i>post-tax revenue model</i> for the calculations referred to in 28.1 and the reasons for that departure.	ActewAGL Distribution has calculated remaining lives on 1 July 2014 period based on real depreciation values. This is explained further in see Chapter 9: Regulatory asset base.
28.3	Identify any changes to standard asset lives for existing asset classes from the previous determination. Explain the reason/s for the change and provide relevant supporting information.	No changes proposed for standard control services. However, ActewAGL Distribution has changed the standard lives for meters for alternative control services. See chapter 15: Alternative control services for further details.
28.4	For any proposed new asset classes, explain the reason/s for using these new asset classes and provide relevant supporting information on their proposed standard asset lives.	No new asset classes proposed apart from the split out of dual function assets as described further in Chapter 9: Regulatory asset base.

<i>Item</i>	<i>Detail</i>	<i>Location</i>
28.5	If existing asset classes from the previous determination are proposed to be removed and their residual values to be reallocated to other asset classes, explain the reason/s for the change and provide relevant supporting information. This should include a demonstration of the materiality of the change on the forecast depreciation allowance.	No asset classes proposed to be removed.
28.6	Describe the method used to calculate the remaining asset lives for existing asset classes as at 1 July 2014 (the start of the <i>forthcoming regulatory control period</i>) and provide supporting calculations if the approach differs from that in the <i>roll forward model</i> .	ActewAGL Distribution has calculated remaining lives on 1 July 2014 period based on real depreciation values. This is explained further in Chapter 9: Regulatory asset base.
29	CORPORATE TAX ALLOWANCE	
29.1	Provide ActewAGL's calculation of the estimated cost of corporate income tax for the <i>forthcoming regulatory control period</i> using the <i>AER's post-tax revenue model</i> , which is to be submitted as part of the <i>regulatory proposal</i> .	This is included in Chapter 11: Corporate income tax.
29.2	Provide a demonstration that the calculation referred to in 29.1 complies with clause 6.5.3 of the NER.	ActewAGL Distribution has calculated the cost of corporate income tax for the forthcoming regulatory control period using the AER's PTRM. This model is developed to comply with clause 6.5.3 of the NER and as such ActewAGL Distribution considers that its calculation comply.
29.3	Provide details of any departure from the <i>AER's post-tax revenue model</i> for the calculations referred to in 29.1 and the reasons for that departure.	No departures.
29.4	Identify any changes to standard tax asset lives for existing asset classes from the previous determination. Explain the reason/s for the change and provide relevant supporting information, including Federal tax laws governing depreciation for tax purposes.	No changes proposed for standard control services. However, for alternative control services, the equity raising costs standard life has been changed from 40 to 25 years to match the standard tax life for the asset (being meters).
29.5	Describe the method used to calculate the remaining tax asset lives as at 1 July 2014 and provide supporting calculations, if the approach differs from that in the <i>AER's roll forward model</i> .	ActewAGL Distribution has calculated remaining lives on 1 July 2014 period based on real depreciation values. This is explained further in Chapter 9: Regulatory asset base and Chapter 11: Corporate

Item	Detail	Location
		income tax and calculations are included in the RFM attachments.
29.6	Provide ActewAGL's calculation of the tax asset base for the relevant distribution system in respect of standard control services for each regulatory year of the <i>current regulatory control period</i> using the AER's <i>roll forward model</i> , which is to be submitted as part of the <i>regulatory proposal</i> .	This is included in the RFM attachments.
29.7	Provide details of any departure from the underlying methods in the AER's <i>roll forward model</i> for the calculation referred to in 29.6 and the reasons for that departure.	No departures.
29.8	Identify any differences in the capitalisation of expenditure for regulatory accounting purposes and tax accounting purposes. Provide reasons and supporting calculations to reconcile any differences between the two forms of accounts	While ActewAGL Distribution's accounting is based on an 'as commissioned' basis and the regulatory accounting is based on 'as incurred', the capitalisation for accounting purposes will at the time the expenditure is booked onto the asset register adjust for depreciation of the value since payments have been incurred. Therefore, the capitalisation values will over time be the same between the statutory and regulatory accounting.
29.9	Provide calculations to demonstrate if a tax loss carried forward exist as at 1 July 2014. The figures used in these calculations, such as the revenue and operating expenses, should be actuals (with the exception of the final year of the <i>current regulatory control period</i> that requires an estimate). Identify and provide reasons for any assumptions applied to determine the value of any tax loss carried forward.	Not applicable. ActewAGL Distribution is a partnership and does not pay any tax. As such, ActewAGL Distribution does not have any tax loss carry forward as at 1 July 2014.
30	CORPORATE STRUCTURE	
30.1	Provide charts that set out: (a) the group corporate structure of which ActewAGL is a part; and (b) the organisational structure of ActewAGL.	Attachment A2: Supplementary information
31	FORECAST MAP OF DISTRIBUTION SYSTEM	
31.1	Provide a forecast map of ActewAGL's <i>distribution system</i> for the <i>forthcoming regulatory control period</i> . This map, together with any appropriate accompanying notes, should also indicate the location of new major network assets	Attachment D4: Appendix to the Distribution Annual Planning Report 2013

<i>Item</i>	<i>Detail</i>	<i>Location</i>
	proposed to be constructed over the <i>forthcoming regulatory control period</i> .	
32	AUDIT REPORTS	
32.1	Provide a Regulatory <i>Audit report</i> in the form of: (a) a Special Purpose Financial Report in accordance with the requirements set out at Appendix C; and (b) a <i>Review report</i> (for non-financial information) in accordance with the requirements set out at Appendix C.	Attachment A4: Special Purpose Financial Report and Review Report
32.2	Provide all reports from the Auditor to ActewAGL's management regarding the audit review and/or auditors' opinions or assessment.	Attachment A4: Special Purpose Financial Report and Review Report
33	BOARD RESOLUTION	
33.1	Provide an extract from the board minutes or a resolution agreed to at a ActewAGL board meeting that confirms, to the best of the Board's information, knowledge and belief, the information provided in the response to paragraph 1.1 (being the information to be provided in the Microsoft Excel Workbooks attached at Appendix A is: (a) for Actual Information, true and accurate; and (b) where ActewAGL cannot provide Actual Information, ActewAGL's best estimate.	Attachment A6: Board resolution
34	TRANSITIONAL ISSUES	
34.1	Provide information on existing potential transitional issues (expressly identified in the <i>Rules</i> or otherwise) which ActewAGL expects will have a <i>material</i> impact on it and should be considered by the AER in making its <i>distribution determination</i> . For each issue, set out the following information: (a) the transitional issue; (b) what has caused the transitional issue; (c) how the transitional issue impacts on ActewAGL; and (d) (d) how ActewAGL considers the transitional issue could be addressed.	Not applicable
35	CONFIDENTIAL INFORMATION	
35.1	This clause applies to any information ActewAGL provides: (a) in response to Schedule 1; (b) in a <i>regulatory proposal</i> , revenue proposal, proposed negotiating framework, proposed pricing methodology, access arrangement proposal or access arrangement for the <i>forthcoming regulatory control period</i> (a Proposal) (c) in a revision or amendment to a Proposal; and (d) in a submission ActewAGL makes regarding a Proposal or a revised or amended Proposal; (together, ActewAGL's Information).	

<i>Item</i>	<i>Detail</i>	<i>Location</i>
35.2	If ActewAGL wishes to make a claim for confidentiality over any ActewAGL’s Information, provide the details of that claim in accordance with the requirements of the AER’s Distribution Confidentiality Guideline, as if it extended and applied to that claim for confidentiality.	Attachment A7: Confidentiality template
35.3	Provide any details of a claim for confidentiality in response to clause 1.2 at the same time as making the claim for confidentiality. Confirm, in writing, that ActewAGL consents to the AER disclosing all other of ActewAGL’s Information on the AER website.	Attachment A7: Confidentiality template
36	ONGOING OBLIGATION	
36.1	<p>Provide information for the Subsequent Regulatory Years annually up to and including the 2024 Regulatory Year for the following <i>Regulatory Templates</i> in the Microsoft Excel Workbooks at Appendix A:</p> <ul style="list-style-type: none"> (a) 2.1 to 2.3; (b) 2.5 to 2.12; (c) 4.1 to 4.4; (d) 5.2 to 5.4; and (e) (e) 6.3. 	Regulatory templates