

1.02

National Electricity Rules (NER) compliance table

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1 PURPOSE AND CONTEXT

Under the National Electricity Rules (NER), Ausgrid is required to submit a Regulatory Proposal and Tariff Structure Statement in accordance with the requirements of clause 6.8.2. The NER sets out information we are required to provide, or matters that we must address in our regulatory proposal.

Our regulatory proposal comprises a suite of documents that provide information required under the NER. This includes:

- A customer overview of the regulatory proposal document in plain English (Executive Summary)
- The regulatory proposal document which sets out our proposal on each constituent decision the AER is required to make
- All supporting attachments submitted to substantiate our regulatory proposal and tariff structure statement
- A further suite of detailed and largely technical supporting documents
- Confidentiality templates which identify the page and paragraph number of the documents containing confidential information.

The purpose of this document is to provide a reference table which identifies where we have provided information or addressed matters required by the NER as part of our suite of documents that comprise our regulatory proposal.

2 REFERENCE TABLE

The reference table below identifies provisions of the NER that impose an obligation on Ausgrid to provide information or address a matter in our regulatory proposal. We identify the obligation, and provide a reference to where Ausgrid has provided that information in a section of the regulatory proposal document, or as part of our suite of documents that comprises our regulatory proposal.

Table 1. Reference table for NER compliance

NER clause	Obligation	Reference
6.3.1(c)(1)	The <i>building block proposal</i> must be prepared in accordance with the <i>post-tax revenue model</i> and other relevant requirements of this Part;	Chapter 4 (Annual revenue requirement) Attachment 4.02 (PTRM for distribution)
6.3.1(c)(2)	The <i>building block proposal</i> must comply with the requirements of, and must contain or be accompanied by the information required by, any relevant <i>regulatory information instrument</i> ; and	See attached RIN responses
6.3.1(c)(3)	The <i>building block proposal</i> must be prepared in accordance with Schedule 6.1.	See separate references to requirements of Schedule 6.1 in this table
6.5.6(a)	A <i>building block proposal</i> must include the total forecast operating expenditure for the relevant <i>regulatory control period</i> which the <i>Distribution Network Service Provider</i> considers is required in order to achieve each of the <i>operating expenditure objectives</i> .	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
6.5.6(b)(1)	The forecast of required operating expenditure of a <i>Distribution Network Service Provider</i> that is included in a <i>building block proposal</i> must comply with the requirements of any relevant <i>regulatory information instrument</i> ;	See attached RIN responses
6.5.6(b)(2)	The forecast of required operating expenditure of a <i>Distribution Network Service Provider</i> that is included in a <i>building block proposal</i> must be for expenditure that is properly allocated to <i>standard control services</i> in accordance with the principles and policies set out in the <i>Cost Allocation Method</i> for the <i>Distribution Network Service Provider</i> ; and	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
6.5.6(b)(3)	The forecast of required operating expenditure of a <i>Distribution Network Service Provider</i> that is included in a <i>building block proposal</i> must include both: <ul style="list-style-type: none"> (i) the total of the forecast operating expenditure for the relevant <i>regulatory control period</i>; and (ii) the forecast operating expenditure for each <i>regulatory year</i> of the relevant <i>regulatory control period</i>. 	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
6.5.7(a)	A <i>building block proposal</i> must include the total forecast capital expenditure for the relevant <i>regulatory control period</i> which the <i>Distribution Network Service Provider</i> considers is required in order to achieve each of the following (the <i>capital expenditure objectives</i>):	Chapter 5 (Capital expenditure) Attachment 5.01 (Ausgrid's proposed capital expenditure)
6.5.7(b)(1)	The forecast of required capital expenditure of a <i>Distribution Network Service Provider</i> that is included in a <i>building block proposal</i> must comply with the requirements of any relevant <i>regulatory information instrument</i> ;	See attached RIN responses

NER clause	Obligation	Reference
6.5.7(b)(2)	The forecast of required capital expenditure of a <i>Distribution Network Service Provider</i> that is included in a <i>building block proposal</i> must be for expenditure that is properly allocated to <i>standard control services</i> in accordance with the principles and policies set out in the <i>Cost Allocation Method</i> for the <i>Distribution Network Service Provider</i> ;	Attachment 5.01 (Ausgrid's proposed capital expenditure)
6.5.7(b)(3)	The forecast of required capital expenditure of a <i>Distribution Network Service Provider</i> that is included in a <i>building block proposal</i> must include both: <ul style="list-style-type: none"> (i) the total of the forecast capital expenditure for the relevant <i>regulatory control period</i>; and (ii) the forecast capital expenditure for each <i>regulatory year</i> of the relevant <i>regulatory control period</i>; and 	Chapter 5 (Capital expenditure) Attachment 5.01 (Ausgrid's proposed capital expenditure)
6.5.7(b)(4)	The forecast of required capital expenditure of a <i>Distribution Network Service Provider</i> that is included in a <i>building block proposal</i> must identify any forecast capital expenditure for the relevant <i>regulatory control period</i> that is for an option that has satisfied the <i>regulatory investment test for transmission</i> or the <i>regulatory investment test for distribution</i> (as the case may be).	Attachment 5.01 (Ausgrid's proposed capital expenditure) Attachment 5.02 (Master list of Ausgrid forecast capital expenditure portfolio)
6.5.10(a)	A <i>building block proposal</i> may include a proposal as to the events that should be defined as <i>pass through events</i> under clause 6.6.1(a1)(5) having regard to the <i>nominated pass through event considerations</i> .	Attachment 9.02 (Nominated cost pass through events)
6.6A.1(a)	A <i>regulatory proposal</i> may include <i>proposed contingent capital expenditure</i> , which the <i>Distribution Network Service Provider</i> considers is reasonably required for the purpose of undertaking a <i>proposed contingent project</i> .	Chapter 5 (Capital expenditure) Attachment 5.01 (Ausgrid's proposed capital expenditure)
6.8.2(c)(1)	A <i>regulatory proposal</i> must include a classification proposal: <ul style="list-style-type: none"> (i) showing how the <i>distribution services</i> to be provided by the <i>Distribution Network Service Provider</i> should, in the <i>Distribution Network Service Provider's</i> opinion, be classified under this Chapter; and (ii) if the proposed classification differs from the classification suggested in the relevant <i>framework and approach paper</i> – including the reasons for the difference; 	Chapter 11 (Classification of services and negotiation framework) Attachment 11.01 (Ausgrid's classification proposal)
6.8.2(c)(2)	A <i>regulatory proposal</i> must include for <i>direct control services</i> classified under the proposal as <i>standard control services</i> – a <i>building block proposal</i> ;	Chapter 4 (Annual revenue requirement)
6.8.2(c)(3)	A <i>regulatory proposal</i> must include for <i>direct control services</i> classified under the proposal as <i>alternative control services</i> – a demonstration of the application of the control mechanism, as set out in the <i>framework and approach paper</i> , and the necessary supporting information;	Attachment 4.06 (Control mechanisms for SCS and ACS)
6.8.2(c)(5)	A <i>regulatory proposal</i> must include for services classified under the proposal as <i>negotiated distribution services</i> – the proposed <i>negotiating framework</i> ;	Attachment 11.02 (Proposed negotiation framework)

NER clause	Obligation	Reference
6.8.2(c)(5A)	A <i>regulatory proposal</i> must include the proposed <i>connection policy</i> ;	Attachment 5.17 (Connection Policy)
6.8.2(c)(6)	A <i>regulatory proposal</i> must include an identification of any parts of the <i>regulatory proposal</i> the <i>Distribution Network Service Provider</i> claims to be confidential and wants suppressed from publication on that ground in accordance with the <i>Distribution Confidentiality Guidelines</i> ; and Note: Additional information that must be included in a <i>regulatory proposal</i> is referred to in clause 6.3.1(c) and Schedule 6.1.	Attachment 1.01 (Confidentiality claims)
6.8.2(c)(7)	A <i>regulatory proposal</i> must include a description (with supporting materials) of how the proposed <i>tariff structure statement</i> complies with the <i>pricing principles for direct control services</i> including: (i) a description of where there has been any departure from the pricing principles set out in paragraphs 6.18.5(e) to (g); and (ii) an explanation of how that departure complies with clause 6.18.5(c).	Chapter 10 (Tariff structures and pricing policies)
6.8.2(c1)	The <i>regulatory proposal</i> must be accompanied by an overview paper which includes each of the following matters: (1) a summary of the <i>regulatory proposal</i> the purpose of which is to explain the <i>regulatory proposal</i> in reasonably plain language to electricity consumers; (2) a description of how the <i>Distribution Network Service Provider</i> has engaged with electricity consumers in developing the <i>regulatory proposal</i> and has sought to address any relevant concerns identified as a result of that engagement; (3) a description of the key risks and benefits of the <i>regulatory proposal</i> for electricity consumers; and (4) a comparison of the <i>Distribution Network Service Provider's</i> proposed <i>total revenue requirement</i> with its <i>total revenue requirement</i> for the current <i>regulatory control period</i> and an explanation for any material differences between the two amounts;	Executive Summary (Overview Paper)
6.8.2(c1a)	The overview paper must also include a description of how the <i>Distribution Network Service Provider</i> has engaged with <i>retail customers</i> and <i>retailers</i> in developing the proposed <i>tariff structure statement</i> and has sought to address any relevant concerns identified as a result of that engagement.	Executive Summary (Overview Paper)
6.8.2(c2)	The <i>regulatory proposal</i> must be accompanied by information required by the <i>Expenditure Forecast Assessment Guidelines</i> as set out in the <i>framework and approach paper</i> .	See attached RIN responses As per Appendix E (Part B, clause 2.4) of the RIN issued by the AER, our response to the RIN satisfies this requirement.
6.8.2(d)	The <i>regulatory proposal</i> must comply with the requirements of, and must contain or be accompanied by the information required by any relevant <i>regulatory information instrument</i> .	See attached RIN responses

NER clause	Obligation	Reference
6.8.2(d1)	The proposed <i>tariff structure statement</i> must be accompanied by an <i>indicative pricing schedule</i> .	Attachment 10.10 (Indicative pricing schedule – DUOS) Attachment 10.11 (Indicative pricing schedule – TUOS) Attachment 10.12 (Indicative pricing schedule – ACS) Attachment 10.13 (Indicative pricing schedule – Climate Change Fund)
6.8.2(d2)	The proposed <i>tariff structure statement</i> must comply with the <i>pricing principles for direct control services</i> .	Attachment 10.01 (Tariff Structure Statement)
6.26(c)	The relevant <i>Distribution Network Service Provider</i> must submit a proposed <i>pricing methodology</i> to the AER in respect of its <i>transmission standard control service revenue</i> as if it were a <i>Transmission Network Service Provider</i> as part of its regulatory proposal under Chapter 6, and Part E of Chapter 6A applies in respect of that <i>pricing methodology</i> (with the necessary changes).	Attachment 10.08 (Transmission pricing methodology)
S6.1.1(1)(i) - (ii)	A <i>building block proposal</i> must contain a forecast of the required capital expenditure that complies with the requirements of clause 6.5.7 and identifies the forecast capital expenditure by reference to well accepted categories.	Attachment 5.01 (Ausgrid's proposed capital expenditure)
S6.1.1(1)(iii) – (v)	A <i>building block proposal</i> must contain a forecast of the required capital expenditure that complies with the requirements of clause 6.5.7 and identifies, in respect of proposed material assets: (iii) the location of the proposed asset; (iv) the anticipated or known cost of the proposed asset; and (v) the categories of <i>distribution services</i> which are to be provided by the proposed asset;	Attachment 5.02 (Master list of Ausgrid forecast capital expenditure portfolio)
S6.1.1(2)	A <i>building block proposal</i> must contain the method used for developing the capital expenditure forecast;	Attachment 5.01 (Ausgrid's proposed capital expenditure)
S6.1.1(3)	A <i>building block proposal</i> must contain the forecasts of load growth relied upon to derive the capital expenditure forecasts and the method used for developing those forecasts of load growth;	Attachment 5.07 (Spatial demand forecasting methodology) RIN Workbook 1 Template 5.4
S6.1.1(4)	A <i>building block proposal</i> must contain the key assumptions that underlie the capital expenditure forecast;	Attachment 5.11 (Key assumptions and Directors certification of key assumptions)
S6.1.1(5)	A <i>building block proposal</i> must contain a certification of the reasonableness of the key assumptions by the directors of the <i>Distribution Network Service Provider</i> ;	Attachment 5.11 (Key assumptions and Directors certification of key assumptions)
S6.1.1(6)	A <i>building block proposal</i> must contain capital expenditure for each of the past <i>regulatory years</i> of the previous and current <i>regulatory control period</i> , and the expected capital expenditure for each of the last two <i>regulatory years</i> of the current <i>regulatory control period</i> , categorised in the same way as for the capital expenditure forecast and separately identifying for each such <i>regulatory year</i> : (i) margins paid or expected to be paid by the <i>Distribution Network Service Provider</i> in circumstances where those margins are referable to arrangements that do not reflect arm's length terms; and	Attachment 5.01 (Ausgrid's proposed capital expenditure)

NER clause	Obligation	Reference
	(ii) expenditure that should have been treated as operating expenditure in accordance with the policy submitted under paragraph (8) for that <i>regulatory year</i> ;	
S6.1.1(7)	A <i>building block proposal</i> must contain an explanation of any significant variations in the forecast capital expenditure from historical capital expenditure; and	Attachment 5.01 (Ausgrid's proposed capital expenditure)
S6.1.1(8)	A <i>building block proposal</i> must contain the policy that the <i>Distribution Network Service Provider</i> applies in capitalising operating expenditure.	Attachment 5.22 (Capitalisation Policy)
S6.1.2(1)(i) – (ii)	A <i>building block proposal</i> must contain a forecast of the required operating expenditure that complies with the requirements of clause 6.5.6 and identifies the forecast operating expenditure by reference to well accepted categories.	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
S6.1.2(1)(iii) – (iv)	A <i>building block proposal</i> must contain a forecast of the required operating expenditure that complies with the requirements of clause 6.5.6 and identifies the forecast operating expenditure by reference to well accepted categories and identifies in respect of each such category: <ul style="list-style-type: none"> (i) to what extent that forecast expenditure is on costs that are fixed and to what extent it is on costs that are variable; and (ii) the categories of <i>distribution services</i> to which that forecast expenditure relates; 	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
S6.1.2(2)	A <i>building block proposal</i> must contain the method used for developing the operating expenditure forecast;	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
S6.1.2(3)	A <i>building block proposal</i> must contain the forecasts of key variables relied upon to derive the operating expenditure forecast and the method used for developing those forecasts of key variables;	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
S6.1.2(4)	A <i>building block proposal</i> must contain the method used for determining the cost associated with planned maintenance programs designed to improve the performance of the relevant <i>distribution system</i> for the purposes of any <i>service target performance incentive scheme</i> that is to apply to the <i>Distribution Network Service Provider</i> in respect of the relevant <i>regulatory control period</i> ;	Chapter 6 (Operating expenditure) Attachment 6.01 (Ausgrid's proposed operating expenditure)
S6.1.2(5)	A <i>building block proposal</i> must contain the key assumptions that underlie the operating expenditure forecast;	Attachment 5.11 (Key Assumptions and Directors certification of key assumptions)
S6.1.2(6)	A <i>building block proposal</i> must contain a certification of the reasonableness of the key assumptions by the directors of the <i>Distribution Network Service Provider</i> ;	Attachment 5.11 (Key Assumptions and Directors certification of key assumptions)
S6.1.2(7)	A <i>building block proposal</i> must contain operating expenditure for each of the past <i>regulatory years</i> of the previous and current <i>regulatory control period</i> , and the expected operating expenditure for each of the last two <i>regulatory years</i> of the current <i>regulatory control period</i> , categorised in the same way as for the operating expenditure forecast;	Attachment 6.01 (Ausgrid's proposed operating expenditure)

NER clause	Obligation	Reference
S6.1.2(8)	A <i>building block proposal</i> must contain an explanation of any significant variations in the forecast operating expenditure from historical operating expenditure.	Attachment 6.01 (Ausgrid's proposed operating expenditure)
S6.1.3(1)	A <i>building block proposal</i> must contain an identification and explanation of any significant interactions between the forecast capital expenditure and forecast operating expenditure programs;	Attachment 5.01 (Ausgrid's proposed capital expenditure)
S6.1.3(3)	A <i>building block proposal</i> must contain a description, including relevant explanatory material, of how the <i>Distribution Network Service Provider</i> proposes any <i>efficiency benefit sharing scheme</i> that has been specified in a <i>framework and approach paper</i> that applies in respect of the forthcoming distribution determination should apply to it;	Attachment 9.01 (Application of incentive schemes)
S6.1.3(3A)	A <i>building block proposal</i> must contain a description, including relevant explanatory material, of how the <i>Distribution Network Service Provider</i> proposes any <i>capital expenditure sharing scheme</i> that has been specified in a <i>framework and approach paper</i> that applies in respect of the forthcoming distribution determination should apply to it;	Attachment 9.01 (Application of incentive schemes)
S6.1.3(4)	A <i>building block proposal</i> must contain a description, including relevant explanatory material, of how the <i>Distribution Network Service Provider</i> proposes any <i>service target performance incentive scheme</i> that has been specified in a <i>framework and approach paper</i> that applies in respect of the forthcoming distribution determination should apply to it;	Attachment 9.01 (Application of incentive schemes)
S6.1.3(5)	A <i>building block proposal</i> must contain a description, including relevant explanatory material, of how the <i>Distribution Network Service Provider</i> proposes any <i>demand management incentive scheme</i> or <i>demand management innovation allowance mechanism</i> that has been specified in a <i>framework and approach paper</i> that applies in respect of the forthcoming distribution determination should apply to it;	Attachment 9.01 (Application of incentive schemes)
S6.1.3(5A)	A <i>building block proposal</i> must contain a description, including relevant explanatory material, of how the <i>Distribution Network Service Provider</i> proposes any <i>small-scale incentive scheme</i> that has been specified in a <i>framework and approach paper</i> that applies in respect of the forthcoming distribution determination should apply to it;	The AER's F&A does not specify a small-scale incentive scheme.
S6.1.3(6)	A <i>building block proposal</i> must contain the <i>Distribution Network Service Provider's</i> calculation of revenues or prices for the purposes of the control mechanism proposed by the <i>Distribution Network Service Provider</i> together with: <ul style="list-style-type: none"> (i) details of all amounts, values and inputs (including X factors) relevant to the calculation; (ii) an explanation of the calculation and the amounts, values and inputs involved in the calculation; and (iii) a demonstration that the calculation and the amounts, values and inputs on which it is 	Attachment 4.06 (Control mechanism for SCS and ACS)

NER clause	Obligation	Reference
	based comply with relevant requirements of the Law and the <i>Rules</i> ;	
S6.1.3(7)	<p>A <i>building block proposal</i> must contain the <i>Distribution Network Service Provider's</i> calculation of the regulatory asset base for the relevant <i>distribution system</i> for each <i>regulatory year</i> of the relevant <i>regulatory control period</i> using the <i>roll forward model</i> referred to in clause 6.5.1 , together with:</p> <ul style="list-style-type: none"> (i) details of all amounts, values and other inputs used by the <i>Distribution Network Service Provider</i> for that purpose; (ii) a demonstration that any such amounts, values and other inputs comply with the relevant requirements of Part C of Chapter 6 ; and (iii) an explanation of the calculation of the regulatory asset base for each <i>regulatory year</i> of the relevant <i>regulatory control period</i> and of the amounts, values and inputs referred to in subparagraph (i); 	<p>Chapter 4 (Annual revenue requirement) Attachment 4.01 (RFM for distribution) Attachment 4.04 (RFM for transmission)</p>
S6.1.3(9)	<p>A <i>building block proposal</i> must contain the <i>Distribution Network Service Provider's</i> calculation of the proposed return on equity, return on debt and <i>allowed rate of return</i>, for each <i>regulatory year</i> of the <i>regulatory control period</i>, in accordance with clause 6.5.2, including any departure from the methodologies set out in the <i>Rate of Return Guidelines</i> and the reasons for that departure;</p>	<p>Chapter 7 (Rate of return) Attachment 7.01 (Ausgrid's rate of return)</p>
S6.1.3(9A)	<p>A <i>building block proposal</i> must contain if the <i>Distribution Network Service Provider</i> proposes that the return on debt for a <i>regulatory year</i> of the <i>regulatory control period</i> is to be determined using the methodology referred to in clause 6.5.2(i)(2), the formula it proposes should be applied in accordance with clause 6.5.2(l);</p>	<p>Chapter 7 (Rate of return) Attachment 7.01 (Ausgrid's rate of return)</p>
S6.1.3(9B)	<p>A <i>building block proposal</i> must contain the <i>Distribution Network Service Provider's</i> proposed value of imputation credits as referred to in clause 6.5.3;</p>	<p>Chapter 7 (Rate of return) Attachment 7.01 (Ausgrid's rate of return)</p>
S6.1.3(10)	<p>A <i>building block proposal</i> must contain the <i>post-tax revenue model</i> completed to show its application to the <i>Distribution Network Service Provider</i> and the completed <i>roll-forward model</i>;</p>	<p>Attachment 4.01 (RFM for distribution) Attachment 4.02 (PTRM for distribution) Attachment 4.04 (RFM for transmission) Attachment 4.05 (PTRM for transmission)</p>
S6.1.3(11)	<p>A <i>building block proposal</i> must contain the <i>Distribution Network Service Provider's</i> estimate of the cost of corporate income tax for each <i>regulatory year</i> of the <i>regulatory control period</i>;</p>	<p>Chapter 4 (Annual revenue requirement)</p>
S6.1.3(12)	<p>A <i>building block proposal</i> must contain the depreciation schedules nominated by the <i>Distribution Network Service Provider</i> for the purposes of clause 6.5.5 , which categorise the relevant assets for these purposes by reference to well accepted categories such as:</p> <ul style="list-style-type: none"> (i) asset class (eg <i>distribution lines</i> and <i>substations</i>); or (ii) category driver (eg <i>regulatory obligation or requirement</i>, replacement, <i>reliability</i>, net market benefit, and business support), <p>together with:</p>	<p>Attachment 4.01 (RFM for distribution) Attachment 4.02 (PTRM for distribution) Attachment 4.04 (RFM for transmission) Attachment 4.05 (PTRM for transmission)</p>

NER clause	Obligation	Reference
	<ul style="list-style-type: none"> (iii) details of all amounts, values and other inputs used by the <i>Distribution Network Service Provider</i> to compile those depreciation schedules; (iv) a demonstration that those depreciation schedules conform with the requirements set out in clause 6.5.5(b) ; and (v) an explanation of the calculation of the amounts, values and inputs referred to in subparagraph (iii); 	
S6.1.3(13)	A <i>building block proposal</i> must contain the commencement and length of the <i>regulatory control period</i> proposed by the <i>Distribution Network Service Provider</i> ; and	Chapter 1 (About this proposal)
S6.1.3(14)	A <i>building block proposal</i> must contain if the <i>Distribution Network Service Provider</i> is seeking a determination by the <i>AER</i> that a <i>proposed contingent project</i> is a <i>contingent project</i> for the purposes of the relevant distribution determination:	Not applicable, as Ausgrid is not proposing any contingent projects