9 November 2022

By email: ███████████████████

Dear Ms Preston

CPPALUE comments on AER draft 2022 benchmarking report

Thank you for the opportunity to comment on the draft 2022 annual benchmarking report. We appreciate the consultation prior to releasing the report.

While reviewing the report, we noticed that the AER has opted to use both 2020 calendar year and 2021 financial year data, effectively counting July to December 2020 data twice. On the treatment of overlapping CY20 and FY21 data, we agree that pursuing option 1 (ignore the overlap) seems reasonable

We are interested in understanding what modelling methodology the AER has applied to deal with the overlap, including more information about the implementation and interpretation of results.

In particular, the productivity changes for Victorian DNSPs from 2020 to 2021 seem to be doubled in the spreadsheet (rows 713 to 755 in the Index Tables sheet in the DNSP22-MTFPtables-charts-5Sep2022 workbook), which could exacerbate any productivity declines/improvements in the period. We think it would be good to provide additional details of the methodology used in the report to provide context to any results. This is touched on in page 5, but we feel that going over potential implications in the results section as well would add value to the report.

This submission does not contain any confidential information and we are happy for to it to be made publicly available.

███████████████████

Regards,

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