Annual RIN
Basis of Preparation

2019-20

energex

Part of Energy Queensland

Contents

BOP – Cost Allocation Method Recast

Annual Reporting, Economic Benchmarking, and Category Analysis Regulatory Information Notice - Financial Templates

Requirement to recast financial information

This Basis of Preparation Document describes the process to report overheads in accordance with the AER's approved CAM's (Ergon Energy Cost Allocation Method Version 5, and Energex's Cost Allocation Method Version 3a) applicable to the 2019-20 regulatory year. It is an overarching approach inserted at the beginning of this document as it impacts all overhead costs for Ergon Energy and Energex reported in financial templates for the Annual Reporting (including Workbook 2), Economic Benchmarking, and Category Analysis Regulatory Information Notices.

The Cost Allocation Method Recast work was undertaken by Energy Queensland (EQL) for Distribution Network Services Providers (DNSP), Ergon Energy and Energex. Any reference to Energex does not impact the Ergon Energy CAM recast, or vice versa.

EQL is implementing, a single Enterprise Resource Planning (ERP) and Enterprise Asset Management (EAM) system in SAP, which will impact reporting in Regulatory Information Notices (RIN) to the Australian Energy Regulator (AER) in 2019-20. EQL is the parent entity of Distribution Network Services Providers Ergon Energy and Energex.

On 22 November 2018, the AER approved a combined Ergon Energy and Energex Cost Allocation Methodology (2020-25 CAM) to take effect from 1 July 2020, at the commencement of the new regulatory control period. Additionally, the existing CAM's (Interim CAMs[1)] were approved by the AER to reflect our new corporate structure to take effect from 1 December 2018.

On 1 July 2019, the existing ERP, Ellipse, adopted the 2020-25 CAM 1 year earlier than the AER's approved effective date for statutory reporting and general ledger (GL) purposes. As such, statutory and regulatory reporting requirements diverged in 2019-20, and hence created a need to recast Ellipse general ledger transactions for regulatory reporting purposes.

The Reporting and Analytics Transition and Sustainability (RATS) Project rebuilt reporting capability for regulatory reporting in 2019-20 by developing a CAM Recast Model using an SAP Enterprise Intelligence Platform (EIP).

Compliance with Requirements

Regulatory Information Notices require information to be provided in each regulatory template in the Microsoft Excel Workbooks completed in accordance with the approved cost allocation method which

[1] Ergon Energy AER approved CAM (Version 5), Energex's AER approved CAM (version 3a) effective 1 Dec 2018.

applies to the relevant regulatory year.

The Table below demonstrates how the information provided by Ergon Energy and Energex is consistent with each of the requirements specified by the AER.

Table 1-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Energex Ltd and Ergon Energy Ltd Cost Allocation Method AER Final Decision November 2018 - Section 1.1 Summary: In November 2018 the AER approved all three proposed amended CAM's under clause 6.15.4(c) of the rules. The current CAM for Ergon Energy and Energex became effective from 1 December 2018.	Ergon Energy and Energex applied the AER approved CAM's (Ergon Energy Cost Allocation Method Version 5, and Energex's Cost Allocation Method Version 3a) which became effective from 1 December 2018.
Ergon Energy and Energex Interim CAM's Section 10 and 13 CAM Consistency: Policies and principles relating to allocations will be consistently applied across accounting periods to ensure that regulatory financial reports are prepared on a consistent basis over time.	Ergon Energy and Energex have applied the CAM consistently across accounting periods for consistency.
Ergon Energy and Energex Interim CAM's Section 11 and 14 Interim Record Keeping: • The ERP provides the capability to record and report all financial information based on the CAM principles and policies for both statutory and regulatory purposes. • All records will be appropriately retained in accordance with regulatory and legislative requirements. All information submitted to the AER through regulatory information notices is subject to external audit prior to submission.	Ergon Energy and Energex's ERP and Corporate Support Costs Allocation Models are the underlying data source and basis for which overhead rates were derived to be applied in the CAM Recast Model providing an auditable record.
Ergon Energy and Energex Interim CAM Section 12 and 15 Monitoring compliance with the CAM and CAG: The Finance and Corporate Services Business Unit is responsible for monitoring compliance with the CAM for Ergon Energy and Energex. Operationally, the General Manager Financial Control will be responsible on a day to day basis for compliance.	Ergon Energy and Energex's annual statutory financial statements and the ERP are reviewed by our external auditors. Ergon Energy and Energex has also undertaken independent audit of the regulatory reporting statements for compliance with regulatory reporting requirements, including the CAM.

Annual Reporting RIN Appendix F Definitions; Economic Benchmarking RIN Appendix 9 Definitions; Category Analysis RIN Definitions and Interpretation. 'Actual Information' definition: • Information presented in response to the Notice whose presentation is materially dependent on information recorded in Ergon Energy and Energex's historical accounting records or other records used in the normal course of business, and whose presentation for the purposes of the Notice is not contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation in the response to the Notice. 'Accounting records' include trial balances, the general ledger, subsidiary accounting ledgers, journal entries and documentation to support journal entries. Actual financial information may include accounting estimates, such as accruals and provisions, and any adjustments made to the accounting records to populate Ergon Energy and Energex's regulatory accounts and responses to the Notice. 'Records used in the normal course of business', for the purposes of non-financial information, includes asset registers, geographical information systems, outage analysis systems, and so on.	The regulatory reporting statements have been prepared in accordance with the Ergon Energy and Energex's Interim CAM's that apply to 2019-20. We have reviewed the cost allocations for the current financial year to ensure they have been consistently applied in accordance with the CAM. In undertaking this review, we have implemented a CAM Recast Model. We confirm that all financial transactions from the general ledgers have been accurately replicated into the CAM Recast Model. We also confirm that the 2020-25 CAM transactions have been removed and that the 2015-20 CAM transactions have been accurately generated in the CAM Recast Model.

Sources

Ergon Energy and Energex use the Ellipse General Ledger as the source of information in the CAM Recast Model. General ledger instances are acquired in the same manner from base transactional tables in the operational systems. This transactional data is replicated in its entirety to the SAP Enterprise Intelligence Platform (EIP) via legacy data warehouses.

This is a two-step replication with the first using SharePlex to monitor and apply changes at the Oracle application table (MRF900) into a matching Oracle data warehouse table. This SharePlex process has been successfully performed for 10 years and is monitored by real-time system checks and periodic database administrator health checks.

The second step replicates the data from these Oracle data warehouse tables into the EIP source containers using SAP Smart Data Integration (SDI) running every five minutes.

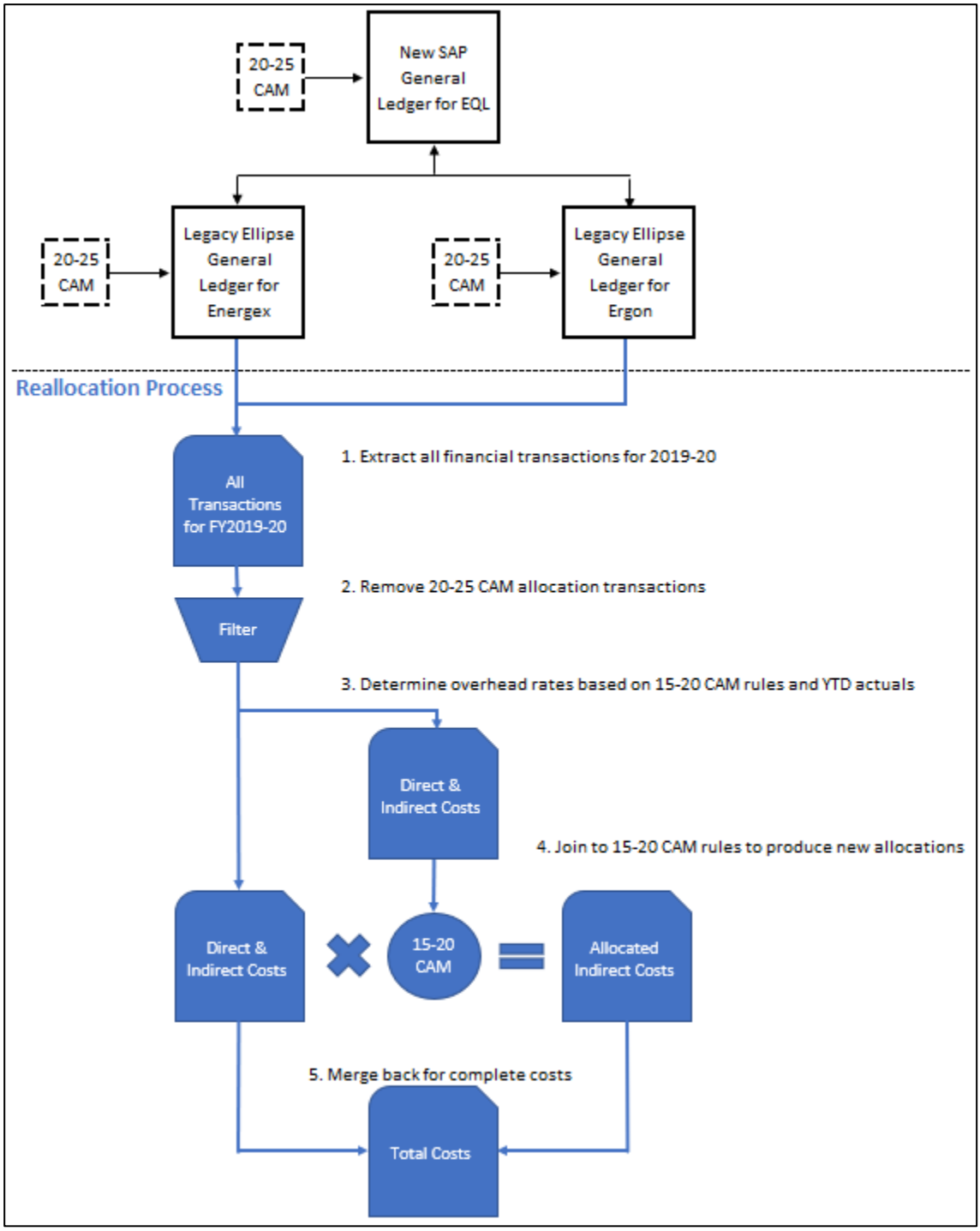
The resulting SAP EIP data is reconciled back to the Ellipse general ledgers through matching trial balances for current and prior periods.

The rules to be applied in the CAM Recast model are loaded via two spreadsheets respectively for Energex and Ergon Energy rates pertinent to those charts of accounts.

Methodology

The approach undertaken in the CAM Recast Model is outlined in Figure 1 below, to produce transactional data for 2019-20 regulatory reporting, by extracting overhead/CAM allocation entries from GL transactions and by reapplying overheads based on Interim CAM rules.

Figure 1-1 CAM Recast progress diagram



CALCULATION OF 2019-20 CAM RATES

Ergon Energy and Energex's previous year (2018-19) Corporate Support Costs Allocation Models were obtained from the Financial Planning team and updated with 2019-20 actual data to calculate 2019-20 overhead rates.

For Ergon Energy, the Responsibility Centre (RC) corporate allocation percentages to Unregulated lines of business were carried forward from the prior year. Analysis prepared by the Financial Planning team demonstrated this assumption would immateriality impact on results given allocations do not vary significantly year-on-year (less than ±2%).

All other inputs were updated with 2019-20 actual information obtained from the CAM Recast Model after the CAM allocation / overhead entries had been extracted. Financial year actual expenditure is used (as opposed to full year budget information), to derive the calculated rates. The use of actual costs to derive overhead rates resulted in an immaterial over or under recovery of overheads.

For specific categories of the model key points are noted below, including difference between Ergon Energy and Energex's approaches where they diverge.

Labour on-cost (Ergon Energy and Energex)

CAM business rules for 2018-19 and 2019-20:

- Same approach for Interim and 2020-25 CAMs (same pool / allocated based on same definition of W&S / included in direct costs);
- 2019-20 CAM workpapers also show that the rates are unchanged from 2018-19.

Materials on-cost (Ergon Energy and Energex)

CAM business rules for 2018-19 and 2019-20:

- Same approach for Interim and 2020-25 CAMs (same pool / allocated based on stores issues);
- Recalculated rates using 2019-20 year to date actuals and updated in the CAM Recast Model.

Fleet costing (Ergon Energy)

- 2018-19 (Interim CAM) approach involved fleet costing (into direct costs) with rates determined for each fleet class to recovery appropriate costs (including depreciation);
- New regulatory CAM (2020-25) moves to a simple allocation methodology, based on labour dollars incurred; and
- Statutory CAM / (Ellipse) GL approach continues with fleet costing for 2019-20, in line with the 2018-19 approach. Therefore, as this complies with the Interim CAM no changes are required.

Fleet costing (Energex)

- 2018-19 (Interim CAM) approach involved an allocation based on labour dollars to recover fleet costs (excluding depreciation)
- New regulatory CAM (2020-25) continues with the same simple allocation methodology, based on labour dollars incurred.
- However statutory CAM / (Ellipse) GL approach recovers fleet costs and fleet depreciation, using the same allocation methodology, based on labour dollars incurred.
- The CAM Recast Model has been updated with a new rate to recover year to date fleet costs only (not depreciation).

Unregulated Allocation (Ergon Energy)

- 2018-19 (Interim CAM) approach involved significant analysis each year, with input from across the business, to determine percentage allocations for each RC to unregulated lines of business;
- New regulatory CAM (2020-25) will allocate costs to unregulated as part of the three-factor methods for corporate overheads and network overheads;
- For 2019-20, new unregulated allocations have been determined using 2019-20 year to date expenditure for each RC but maintaining 2018-19 percentage allocations (refer to Assumptions). Analysis provided by the Financial Planning team indicates that there is minimal variation year to year in the percentage allocations and the conclusion is that the percentage allocations continue to be a fair reflection of the split of effort and cost to each line of business.
- Where costs appeared on new RC's during 2019-20, the function of that RC was determined and allocations were based on an existing RC which performs a similar function.

Unregulated Allocation (Energex)

- 2018-19 (Interim CAM) approach used a three-factor method to allocate costs to unregulated lines of business;
- New regulatory CAM (2020-25) will allocate costs to unregulated as part of the three factor methods for corporate overheads and network overheads;
- For 2019-20, the three-factor method has been updated with 2019-20 year to date expenditure.

Regulated Overheads (Ergon Energy and Energex)

- 2018-19 (Interim CAMs) approach identified all RCs included in the regulated overhead pool, with exclusions for specific activities, products and elements. The unregulated proportion (refer above) was also deducted to determine the size of the pool. The base (regulated program of work direct costs) was determined by activity ranges and specific elements. The pool is then divided into the base to determine the regulated overhead rate. Ergon Energy separates regulated overheads between Opex, Capex and Customer Care and determines separate overheads rates for each.

Energex has a combined regulated Opex and Capex rate;

- For 2019-20, the process was repeated, using year to date data from the CAM Recast Model, with CAM allocation / overhead entries removed. Costs incurred in EQLD district were allocated to specific RCs in Ergon Energy and Energex, based on a model used by the Business Planning and Analysis team for 2018-19. Also, ICT and lease costs were added in. Refer to notes below on these topics.

1. Energy Queensland support costs (Ergon Energy and Energex)

- In prior years, costs incurred in EQLD district were allocated to specific RCs in Ergon Energy and Energex based on a model used by the Business Planning and Analysis team;

- This process was repeated for the 2019-20, adding the support costs attributable to each entity into the CAM Recast Model for inclusion into the respective overhead pools and allocation to the businesses.

a) ICT costs (Ergon Energy and Energex)

- In prior years, ICT costs were incurred in SPARQ and charged to DNSPs as Asset Usage Fees, Service Level Agreement (SLA) fees and Telecommunications costs;

- Under the 2020-25 CAM and in the GL for 2019-20, ICT assets have moved out of SPARQ and into the DNSPs. Assets (also Capex and Depreciation) are directly attributed to DNSPs where possible, with the remainder allocated using the CAM non-network principles (i.e.. allocated based on labour incurred). Asset Usage Fees have not been recorded in the General Ledger for 2019-20;

- Costs for the 2019-20 financial year have been allocated between Ergon Energy and Energex on the same basis as 2018-19 and added into to the CAM Recast Model for inclusion into the respective overhead pools and allocation to the businesses;

- This will be a one-off adjustment for the 2019-20 regulatory year, as the Statutory and Regulatory approaches will align in the 2020-25 regulatory period.

b) Lease costs (Ergon Energy and Energex)

- The Australian Accounting Board introduced AASB16 Leases in 2019-20 replacing AASB117;

- Leases are now on-balance sheet for Statutory Reporting purposes and in the General Ledger.

- To maintain consistency with the 2015-20 Distribution Determination and the AER approved

CAM, lease costs were recalculated to show lease expense instead of on-balance sheet treatment with depreciation and interest.

- Lease expense for 2019-20 has been allocated between Ergon Energy and Energex and manually added into the overhead pools.

- This will be an ongoing adjustment for the 2019-20 regulatory year and the 2020-25 regulatory period for legacy leases, as the Statutory and Regulatory approaches differ.

CAM SPREADSHEET OVERHEAD RATES

The resulting CAM overhead rates calculated as detailed above, are then entered into a CAM rates file for each entity which provides the relevant Ellipse account strings attracting the on-cost or overhead along with the appropriate rate, account code to post the on-cost or overhead and the account code to post the recovery of that on-cost or overhead.

This is then used to feed into SAP EIP CAM Recast and apply the on-costs and overheads based on the 2019-20 CAM rules.

The extract below is from the Ergon Energy CAM rates file, showing that a specified account mask (usually applicable to an activity code within the ellipse account string) attracts a certain percentage of overheads, posting to element 8140 or 8100, with the recovery posting to element 8350.

C	D	E	F	G	H	I	J	K	L
[ACCT_MASK]	[RATE]	[JOURNAL_TYPE]	[MIN_LIMIT]	[OH_DSTRCT]	[OH_COST_CODE]	[OH_EXPS_ELEM]	[RV_DSTRCT]	[RV_COST_CODE]	[RV_EXPS_ELEM]
@@@@C2090@@@@@@@@	002932	OH	000100	EECL	@@@@C2090@@@@	8140	EECL	5020510400000	8365
@@@@52000@@@@@@@@	004739	OH	000100	EECL	@@@@52000@@@@	8100	EECL	0002625000000	8350
@@@@53@@@@@@@@@@@	004739	OH	000100	EECL	@@@@53@@@@@@@	8100	EECL	0002625000000	8350
@@@@54@@@@@@@@@@@	004739	OH	000100	EECL	@@@@54@@@@@@@	8100	EECL	0002625000000	8350
@@@@56@@@@@@@@@@@	003909	OH	000100	EECL	@@@@56@@@@@@@	8100	EECL	0002625000000	8350
@@@@C200@@@@@@@@@	004739	OH	000100	EECL	@@@@C200@@@@@	8100	EECL	0002625000000	8350
@@@@C201@@@@@@@@@	004739	OH	000100	EECL	@@@@C201@@@@@	8100	EECL	0002625000000	8350

The extract below is from the Energex CAM rates file, showing that a specified account mask (usually applicable to an activity code and element combination within the ellipse account string) attracts a certain percentage of on-costs or overheads, posting to element 8102 (fleet on-cost), 8103 (materials on-cost) or 8104 (overheads), with the recovery posting to the same element but a recovery activity.

[CAM_RULE_REF]	[CAM_DST	[ACCT_MASK]	[RATE]	[JOURN	[OH_COST_CODE]	[OH_EXPS_ELEM]	[RV_DSTRCT]	[RV_COST_CODE]	[RV_EXPS_ELEM]
EGX101FLT40XXX3302	EGX1	@@@@40@@@@@@@3302@@@@	000859	OH	@@@@@@@@@@@@@@	8102	EGX1	133098050P000	8102
EGX101FLT40XXX3312	EGX1	@@@@40@@@@@@@3312@@@@	000859	OH	@@@@@@@@@@@@@@	8102	EGX1	133098050P000	8102
EGX101FLT41XXX3302	EGX1	@@@@41@@@@@@@3302@@@@	000859	OH	@@@@@@@@@@@@@@	8102	EGX1	133098050P000	8102
EGX101FLTC2XXX3302	EGX1	@@@@C2@@@@@@@3302@@@@	000859	OH	@@@@@@@@@@@@@@	8102	EGX1	133098050P000	8102
EGX101FLTC2XXX3312	EGX1	@@@@C2@@@@@@@3312@@@@	000859	OH	@@@@@@@@@@@@@@	8102	EGX1	133098050P000	8102
EGX101FLTC35XX3302	EGX1	@@@@C35@@@@@@3302@@@@	000859	OH	@@@@@@@@@@@@@@	8102	EGX1	133098050P000	8102
EGX101FLTC35XX3312	EGX1	@@@@C35@@@@@@3312@@@@	000859	OH	@@@@@@@@@@@@@@	8102	EGX1	133098050P000	8102
EGX101MAT40XXX4400	EGX1	@@@@40@@@@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101MAT41XXX4400	EGX1	@@@@41@@@@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101MAT42XXX4400	EGX1	@@@@42@@@@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101MAT430XX4400	EGX1	@@@@430@@@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101MATC2XXX4400	EGX1	@@@@C2@@@@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101MATC30154400	EGX1	@@@@C3015@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101MATC35XX4400	EGX1	@@@@C35@@@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101MATC4XXX4400	EGX1	@@@@C4@@@@@@@4400@@@@	000532	OH	@@@@@@@@@@@@@@	8103	EGX1	133098050P000	8103
EGX101OVH41XXX3302	EGX1	@@@@41@@@@@@@3302@@@@	006037	OH	@@@@@@@@@@@@@@	8104	EGX1	133098050P000	8104
EGX101OVH41XXX3312	EGX1	@@@@41@@@@@@@3312@@@@	006037	OH	@@@@@@@@@@@@@@	8104	EGX1	133098050P000	8104
EGX101OVH41XXX4400	EGX1	@@@@41@@@@@@@4400@@@@	005855	OH	@@@@@@@@@@@@@@	8104	EGX1	133098050P000	8104
EGX101OVH41XXX4500	EGX1	@@@@41@@@@@@@4500@@@@	005529	OH	@@@@@@@@@@@@@@	8104	EGX1	133098050P000	8104
EGX101OVH41XXX4900	EGX1	@@@@41@@@@@@@4900@@@@	005529	OH	@@@@@@@@@@@@@@	8104	EGX1	133098050P000	8104

SAP EIP CAM RECAST MODEL

The CAM Recast model is a new SAP HANA database structure that is built on top of the landed data from Ellipse general ledgers and applying the rules and rates from specific Ergon Energy and Energex spreadsheets. However, the pattern is the same process as currently happens directly in the sourcing general ledgers where transactions are compared against defined account code masks and then where matched will generate two additional transactions (a primary and reversal overhead) at a percentage rate to the driving transaction.

Approach

The CAM Recast model passes all general ledger sourced transactions through the same process:

1. Current year (2019-20) transactions are identified:

- If a transaction is posted to a financial period outside the 2019-20 year then this is passed through, no further rules are applied, and these transactions appear in the results full and complete. The steps below are now only effective to those transactions falling into the 2019-20 financial year.

2. Ellipse 2019-20 overheads are stripped out:

- These are transactions specifically tagged by the automated legacy CAM processes with a journal type of “OH”, or manual journals that specifically post to the segments dedicated to overhead costs. They are removed and do not contribute to further results.

3. New 2019-20 overheads are generated:

The spreadsheet rules for new CAM transactions are acquired and consist of:

- A filtering account code mask

- Overhead rate to be applied
- A primary account code, and
- A reversing account code.

Driving source transactions are identified by comparing against the defined filtering account code mask for a match (refer above section “CAM Spreadsheet Overhead Rates”).

Driving source transactions related to user defined excluded expense elements or projects are disqualified (these exclusions consistently follow the CAM application rules whereby certain expense elements do not attract overheads due to their nature and a list of non-system building construction projects associated with a specific GL activity are exempt from overheads as they are wholly completed by external contractors).

All identified driving transactions then generate two new CAM transactions: i) a new primary overhead transaction and ii) a new reversing overhead transaction. The amounts are calculated from the driving transaction amount multiplied by the defined overhead rate in the matching rule (the reversing transaction is negated). Similarly, the segment applied comes from the primary and reversing account code in the matching rule.

The resulting CAM Recast model has all driving transactions from step 2 as well as all overhead transactions from step 3.

Note: the CAM spreadsheet rules are applied against the entire years transactions every time it is used, in real-time. There is no batch processing. This means if the rules or rates are changed then these are retrospectively applied to the entire year.

Version Control

The CAM Recast database model is an SAP HANA construct existing in the Energy Queensland (EQL) SAP Cloud Platform AWM instance. The model is maintained in a development environment and then migrated through testing environments before residing in a read-only production environment for business use. All source code is stored in a GIT repository with separately secured branches for work-in-progress and committed components.

The CAM rules and rates are mastered in separate Ergon Energy and Energex spreadsheets by the Finance team. These are maintained in secured folders and then authorised, released and loaded

into the CAM Recast model from a separate HANA folder.

Reconciliations

The following reconciliations and controls were applied to provide assurance over the process:

- To verify the overheads applied by the CAM recast model a reconciliation of the output to the expected overhead based on a manual recalculation by direct activity was performed. In all cases, for both entities the on-costs and overheads applied by the model agreed within all material respects.

- The consolidated Energy Queensland pool of indirect costs was reconciled to the total cost pools calculated and utilised for deriving the CAM rates for Ergon Energy and Energex. This incorporated the known differences for treatment of Sparq costs and lease expenses and considered the underlying mappings of exclusions and unregulated costs as followed by the models used the calculate the indirect cost pools and overhead rates for each entity.

- A high-level reconciliation was performed for Ergon Energy and Energex comparing the original general ledger (as audited for Statutory purposes) to the Recast extract. The overall net profit/loss for those entities was compared pre and post recast identifying the financial impact of the different treatments of certain costs under the 2019-20 CAM and the 2020-25 CAM as reflected in the general ledger.

Assumptions

For 2019-20, with the implementation of the CAM Recast Model key points to note include:

- Direct expenditure remains unchanged as obtained from the same Ellipse GL codes, with transactions coded to account combinations of Responsibility Centre / Activity / Product / Expense Element;

- Overhead rates were recalculated using the 2018-19 overhead rate model which applies CAM business rules compliant with the Interim CAM using 2019-20 actual dollars as inputs;

- An assumption is applied Ergon Energy's Corporate Support Costs Allocation Model where corporate responsibility centre allocations were adopted from prior year inputs with sensitivity analysis supporting the assumption would result in immaterially different results.

Therefore, the conclusion is that the CAM Recast Model data extracts meet the definition of 'actual information' in accordance with annual RIN Notices (AR, EB, CA RIN's).

Estimated Information

Ergon Energy and Energex have provided Actual Information, in accordance with the AER's definition.

Explanatory Notes

Not applicable.

BOP - 2.11 Labour

Table 2.11.3 - Labour/Non-Labour Expenditure Split

Table 2.11.3.1 - OPEX

Table 2.11.3.2 - CAPEX

Compliance with the RIN Requirements

Table 1-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 1-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Labour Expenditure Energex must include all expenditure used to deliver standard control services that is associated with people. Labour expenditure relates to: • full time, part time and casual employees • ongoing and temporary employment contracts • labour hire contracts Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes (e.g. payroll and fringe benefits taxes), termination and redundancy payments, workers compensation, training and study assistance, purchases made on behalf of employees (e.g. protective clothing).	Energex has reported Labour expenditure in accordance with the requirements and definitions specified by the AER.
Non-labour expenditure Energex must include expenditure other than Labour expenditure.	Energex has reported Non-labour expenditure in accordance with the requirements and definitions specified by the AER.
Controllable non-labour expenditure is all non-labour expenditure that is not Uncontrollable non-labour expenditure. Such costs include materials and fuels, insurance and guaranteed service level payments.	Energex has reported Controllable non-labour expenditure in accordance with the requirements and definitions specified by the AER.
Uncontrollable non-labour expenditure is all non-labour expenditure over which Energex has no control.	Energex has reported Uncontrollable non-labour expenditure in accordance with the requirements and definitions specified

Uncontrollable non labour expenditure is imposed by an independent (that is, not a related party to Energex) government body (federal, state or local) so Energex has no ability to influence any amount of the expenditure incurred by the manner in which Energex operates its business. Such costs include solar feed in tariff payments, jurisdictional levies/taxes and local government rates. Insurance costs and guaranteed service level payments are not uncontrollable.	by the AER.

Sources

Table 1-2 Data Sources below demonstrates the sources from which Energex obtained the required information:

Table 1-2 Data Sources

Variable	Source
In-house labour expenditure	Direct costs are specifically identified via a segment (expense element) of the account code within the CAM recast data extract FIN073 and mapped to this reporting category. Shared costs are allocated based on the nature of the raw costs identified via GL expense element. For further detail refer to the Methodology section below.
Labour expenditure outsourced to related parties	Direct costs are specifically identified via a segment (expense element) of the account code within the CAM recast data extract FIN073 and mapped to this reporting category. Shared costs are allocated based on the nature of the raw costs identified via GL expense element. For further detail refer to the Methodology section below.
Labour expenditure outsourced to unrelated parties	Direct costs are specifically identified via a segment (expense element) of the account code within the CAM recast data extract FIN073 and mapped to this reporting category. Shared costs are allocated based on the nature of the raw costs identified via GL expense element. For further detail refer to the Methodology section below.
Controllable non-labour expenditure	Direct costs are specifically identified via a segment (expense element) of the account code within the CAM recast data extract FIN073 and mapped to this reporting category. Shared costs are allocated based on the nature of the raw costs identified via GL expense element. For further detail refer to the Methodology section below.
Uncontrollable non-labour expenditure	Direct costs are specifically identified via a segment (expense element) of the account code within the CAM recast data extract FIN073 and mapped to this reporting category. Shared costs are allocated based on the nature of the raw costs identified via GL expense element. For further detail refer to the Methodology section below.

Capitalisation of Regulated Overheads

Methodology for the Labour / Non Labour Expenditure Split reporting is detailed below.

Direct costs are attributed to the specific Labour/ Non Labour Expenditure categories based on Ellipse expense element sourced from the CAM recast data extract FIN073. Reporting is achieved by extracting from the general ledger the amounts and mapping these expense element codes into the appropriate reporting category based on the reporting requirements / definitions specified by the AER.

Apportionment of the allocated / shared costs (i.e. overhead, on-costs) is based on the analysis of the raw / source costs, and proportions of the total costs are determined for each reporting category. This reflects the underlying nature of the transactions.

A significant portion of Energex's external contractors are engaged based on a Schedule of Rates or Design and Construct (D&C) contract basis to deliver services. The Schedule of Rates or D&C contract include the total cost of the contractors' labour, provision of plant and equipment, materials and overhead costs. This approach was acknowledged in the AER Preliminary decision Energex distribution determination Attachment 7 OPEX - April 2015 (pg. 7-280) - "This is because the contract is for the provision of a service at a set price rather than for the provision of a unit of labour". The established rate may also include volume discounts. Consequently, invoices provided by contractors do not differentiate between labour and other costs.

To differentiate would require the contractor to implement or modify processes and systems to explicitly capture their costs at a detailed level and provide invoices incorporating a breakdown of costs by category. Energex's accounts payable processes and corporate financial systems would also need to be modified to capture contractor costs at this more detailed level. Imposing a requirement on all contractors to modify their processes and systems to facilitate cost category breakdown is unrealistic and would impose significant additional costs. In some circumstances, particularly for smaller contractors, this additional cost may cause financial hardship especially in a competitive tendering market. Additional costs incurred would need to be incorporated into the contractors costs charged to Energex and ultimately would be borne by electricity customers.

Energex's corporate financial system has not been structured to capture and differentiate contractor costs at a cost category level as Energex does not manage contractor expenditure for operating programs at this detailed level. Management of contractor costs are generally at the market tender phase where the Schedule of Rates are assessed and analysed for prudency and efficiency. For capital programs a significant proportion of contractor spend is for D & C projects, where the contractor is responsible for all phases of the project. Imposing additional requirements on contractors and modifying Energex's financial systems and processes would ultimately impose significant additional costs on electricity customers to enable this RIN reporting capability.

Due to the inability to differentiate contractor costs as described above, Energex has included total contractor costs in the 'Labour expenditure outsourced to unrelated parties' category.

Assumptions

No assumptions were made in the reporting of the labour / non-labour expenditure split template.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 3.6 Quality of Service

Table 3.6.6 - Complaints - Technical Quality of Supply

Table 3.6.6.1 - Technical Quality of Supply

Table 3.6.6.2 - Percentage of Complaints by Category

Table 3.6.6.3 - Percentage of Complaints by Likely Cause

Compliance with the RIN Requirements

Table 2-1 Demonstration of Compliance below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 2-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
3.6.6.1 - The total number of complaints made to Energex where the complaint raised issues about voltage variations. Complaint is a written or verbal expression of dissatisfaction about an action, a proposed action, or a failure to act by a distributor, its employees or contractors. This includes failure by a distributor to observe its published practices or procedures	Demonstrated in 2.4 (Methodology)
3.6.6.2 - The proportion of complaints made to Energex where the complainant raised issues about: • low voltage supply • voltage dips • voltage swell • voltage spike (impulsive transient) • waveform distortion • TV or radio interference • solar related • noise from appliances other - any matter that is not low voltage supply, voltage dips, voltage swell, voltage spike, TV or radio interference, waveform distortion or noise from appliances.	Demonstrated in 2.4 (Methodology)

3.6.6.3 - The proportion of complaints where the event that gave rise to the complaint was: • likely to be faulty network equipment • likely to be network interference by network service provider equipment • likely to be network interference by another customer • likely to be a network limitation • likely to be a customer internal problem • not able to be identified • likely to be environmental likely to be a cause other than faulty network equipment, network interference by network service provider equipment, network interference by another customer, a network limitation, a customer internal problem, environmental, or not able to be identified.	Demonstrated in section 2.4 (Methodology)

Sources

The source from which Energex obtained the required information is Ellipse and reported in DMA report PQU010.

Methodology

Complaints made to Energex are classified with a symptom code at time of entry. These codes are audited by quality of supply officers at the time a work request is raised, and again reviewed on completion of the investigation. Once the investigation has been completed the likely cause is allocated.

Each voltage complaint requires initial desktop investigation. This may include contacting the customer first and gather relevant information prior to visiting the site. Depending on the nature of the complaint, power quality monitoring may be required for some complaints.

Based on the site monitoring, voltage complaints can be rectified and root cause of the complaint will be reported.

Further reference can be made to Energex's customer standard, "Managing Quality of Supply issues - Customer Standard, 00801."

Assumptions

Not applicable.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

Table 3.6.7 - Customer Service Metrics 1

Table 3.6.7.1 - Timely Provisions of Services

Table 3.6.7.3 - Call Centre Performance

Table 3.6.7.4 - Number of Customer Complaints

Compliance with the RIN Requirements

Table 2-2 Demonstration of Compliance below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 2-2 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
3.6.7.1 Timely Provision of Services	
As per definition in STPIS guideline November 2009: New connections: the connection of electricity supply to customer's premises on or before the date agreed to with the customer. For the 'customer service' component, this is expressed as a percentage of the total number of new connections. Note: Does not include re-energisation of existing premises.	Volumes of new connections to the network are sourced from corporate service order reports which identify each service order's market outcome status (complete, incomplete, and cancelled). Only those with a status of "complete" for the financial year were included in figures reported.
3.6.7.3 Call Centre Performance	
Calls to call centre fault line is the total number of calls to call centre fault line to be reported: • including any answered by an automated response service and terminated without being answered by human operator; and excluding missed calls where the call centre fault line is overloaded.	Data is sourced from Cisco Unified Intelligence Center (CUIC) which records all calls that are made to the Energex fault lines.
Calls to fault line answered within 30 second • As per definition in STPIS guideline November 2009 Telephone Answering • Calls to the fault line answered in 30 seconds where the time to answer a call is measured form when the call enters the telephone system of the call centre	Data is extracted from the telephony system through CUIC. There is a metric to show all calls that were answered or abandoned within 30 seconds. Calls to the automated lines were excluded from the count

(including that time when it may be ringing unanswered by any response) and the caller speaks with a human operator, but excluding the time that the caller is connected to an automated interactive service that provides substantive information. This measure does not apply to: • calls to payment lines and automated interactive services; • calls abandoned by the customer within 30 second of the call being queued for response by a human operator. Where the time in which a telephone call is abandoned is not measured, then an estimate of the number of calls abandoned within 30 seconds will be determined by taking 20 per cent of all calls abandoned.	
Calls to fault line - average waiting time before call answered is the average time in seconds from when calls enter the system (including that time when a call may be ringing unanswered) and the caller speaks to a human operator or is connected to an interactive service that provides the information requested	Data is extracted from CUIC. There is no measure to ascertain if a terminated call in the automated interactive service has been provided the information requested. Therefore the average wait time was reported on calls that have been queued for answer by a human operator.
Call centre - number of overload events is the number of times that the call centre queuing system is inadequate to queue all incoming calls.	There was no overload or avalanching of the telephony system during this period.
Calls abandoned - percentage is (calls abandoned/calls to call centre fault line)* 100 Calls abandoned include all calls received and queued for a response by a human operator but are abandoned before being answered by the operator. This includes those calls abandoned prior to 30 seconds.	Data was extracted using CUIC. Queues aligned with those for the "calls to call centre fault line" metric.
3.6.7.4 Number of Customer Complaints	
Complaint - reliability of supply is the number of complaints relating to the reliability of supply.	With the exception of the Reliability of Supply complaints, the categories required within table 3 of the RIN do not exist within the Energex systems. A process of aligning Energex system with the categories in table 3 was undertaken and is explained in more detail in the methodology section.
Complaint - technical quality of supply is the number of	

complaints relating to the technical quality of supply.	
Complaint - administrative process or customer service is the number of complaints relating to the administrative process or customer service of the Energex, excluding those reported under 'connection and augmentation'.	With the exception of the Reliability of Supply complaints, the categories required within table 3 of the RIN do not exist within the Energex systems. A process of aligning Energex system with the categories in table 3 was undertaken and is explained in more detail in the methodology section.
Complaint - connection or augmentation is the number of complaints about: • the quality and timeliness of a new connection; and • the cost, timeliness and quality of augmentation works	With the exception of the Reliability of Supply complaints, the categories required within table 3 of the RIN do not exist within the Energex systems. A process of aligning Energex system with the categories in table 3 was undertaken and is explained in more detail in the methodology section.
Complaint - other is the number of complaints that are not under the categories of 'connection & augmentation', 'reliability of supply', 'quality of supply' and 'administrative process or customer service'.	With the exception of the Reliability of Supply complaints, the categories required within table 3 of the RIN do not exist within the Energex systems. A process of aligning Energex system with the categories in table 3 was undertaken and is explained in more detail in the methodology section.

Sources

Table 2-3 below demonstrates the sources from which Energex obtained the required information:

Table 2-3 Data Sources

Variable	Source
3.6.7.1 Timely Provision of Services	
Number of connections made	EPM sourced from PEACE CIS
Number of connections not made on or before agreed date	EPM sourced from PEACE CIS
3.6.7.3 Call Centre Performance	
Calls to call centre fault line	Cisco Unified Intelligence Centre (CUIC)
Calls to fault line answered within 30 seconds	CUIC
Calls to fault line - average waiting time before call answered	CUIC

Call centre - number of overload events	N/A
Percentage of calls abandoned	CUIC
3.6.7.4 Number of Customer Complaints	
Complaint - reliability of supply	Cherwell (Complaint Management System) via SQL query
Complaint - technical quality of supply	Ellipse and reported in DMA report PQU010
Complaint - administrative process or customer service	Cherwell via SQL query
Complaint - connection or augmentation	Cherwell via SQL query
Complaint - other	Cherwell via SQL query
Total number of complaints	Cherwell via SQL query

Methodology

Connection Volumes

New connection volumes are sourced from PEACE via the use of the corporate reporting solution, EPM. The report provides information on completion status and timeliness. These are used to populate the relevant metrics.

Call Centre / Telephony

As per the assumptions below, calls that are made to Energex are recorded at certain intervals as the call transitions between the automated IVR and queueing for answer by a human operator. The call data is recorded by the Cisco system managed jointly by Optus and Energy Queensland. This data is extracted using the Cisco Unified Intelligence Centre, a web based application.

A pre-existing report was utilised in CUIC to report on the measures required for STPIS/RIN. These reports were run and the data extracted to provide the figures required. In addition, throughout the year, the Customer Performance team tracks our performance against STPIS on a daily basis. The extracted data is cross-checked against this for validation.

Complaint Data

The complaint data is extracted from the enterprise data warehouse (EDW) using an SQL query. This extract is filtered to only show complaints data. This report shows the Energex complaint categorisation and this is used to assign it an AER complaint category. Any issues with the data are referred back to the CIR team to investigate as subject matter experts for validation.

Assumptions

That the information relating to the complaint is described at the time of creation and that the field staff enter the resultant cause following investigations.

Call Centre Performance

Energex has a number of phone numbers including a Loss of Supply line, Emergency line and General Enquiry line. Energex assumes a Fault call is a call made to either the Loss of Supply or Emergency lines. The Loss of Supply and Emergency lines use an IVR which has the capability to automatically identify the location of a caller (where Energex recognises the number through Call Line Identification- CLI) and to provide specific outage advice to those callers. This automated IVR information positively satisfies a large proportion of the callers to the Loss of Supply line. Calls that proceed through the IVR are subsequently recorded at various stages, such as when they are answered and when the call ends. This allows collection of data such as average wait time and volume of calls answered within 30 seconds.

Calls to fault line - average waiting time before call answered & Calls Abandoned - Percentage

Any call that disconnects whilst in the automated interactive services (IVR) is pegged as abandoned in CUIC and therefore it is difficult to identify if they have been provided the information they requested by the IVR. These calls are recorded in a separate part of the call flow and can therefore be excluded from calls that abandon whilst being queued for answer by a human operator. To ensure a more precise measure and avoid making assumptions on the IVR data, calls to the IVR have been removed from the measure for both of these metrics.

Customer Complaints

Customer complaints can be received through various channels however the primary ones are via telephone or email interactions. Complaints are entered into the Energex Complaint Management System, Cherwell. These are handled by the Customer Investigations and Resolutions (CIR) team, during their process they determine the validity of the complaint. Complaint's that are not valid due to either not meeting the definition of a complaint or a duplicate are changed to enquiries or withdrawn respectively.

Definition of a complaint as per our Customer Service Standard (03808):

An expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.

This definition aligns with the Australian/New Zealand Standard (AS/NZS 10002:2014)

Additionally, the CIR team will categorise the complaint with a type and up to 3 sub categories based upon the details of the complaint. With the exception of Reliability of Supply, the categories utilised in

Cherwell do not align with the categories provided by the AER. A process was undertaken to best fit the complaint categories in Cherwell to the AER definitions. Each year this process is carried out for any additional categories that have been added or haven't previously been used. A brief overview of the decision making process for each category is described below.

Complaints relating to the connection, maintenance or alteration to the network have been categorised within the Connection or Augmentation category.

Complaints relating to staff behaviour, meter reading, communication and correspondence and marketing or media have been categorised within the Administrative Process or Customer Service category.

Complaints relating to the driving and/or parking of Energex vehicles and general feedback relating to suppliers or installers have been categorised within the Other category.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Updated and simplified call flows were introduced into the telephony platform throughout July 2019 which has reduced the number of different queues that compile all fault call types. This has no impact on reporting. This has meant that when compiling the telephony data for 2019-20, reporting against all new and legacy queues has taken place to ensure a full dataset for the financial year.

Table 3.6.7 - Customer Service Metrics 2

Table 3.6.7.2 - Timely Repair of Faulty Street Lights

Compliance with the RIN Requirements

Table 2-2 Demonstration of Compliance below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 2-2 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
3.6.7.2 Timely Repair of Faulty Street Lights	
Streetlights - average monthly number "out" is the total number of street lights reported by customers as not working over the year, divided by twelve.	The data is sourced from the Ellipse MSQ620 report. The date range is 2019-2020 financial year, workgroup is CXOXCDP, Category of work is 13/01 Streetlight Repairs/Mntce (PEACE)
Streetlight repair - Faulty streetlights not repaired within 5 business days of fault report or agreed date is the number of streetlights reported as not working within the reporting period that were not repaired within 5 business days of the fault report, or were not repaired by the agreed date.	The data is sourced from Report Explorer ELL00195 Outstanding / Not on time report. The date range is 2019-2020 financial year, workgroup is CXOXCDP.
Streetlights - average number of days to repair is the average number of days to repair street lights that were reported as not working.	This data is sourced from our contractor supplied quarterly report Mean days to Repair. Job with "complex attributions" are emitted from the report e.g. traffic control required, major circuit maintenance required and on by day lights.
Streetlight repair - number of streetlight faults is the number of streetlights reported by customers as not working in the reporting period.	The data is sourced from the Network Data Group. There is a data base which is maintained by this group which controls all public lighting asset information. The total number of street lights is for all Rate 1 and Rate 2 street lights only, Rate 3 lights have been emitted.

Sources

Table 2-3 below demonstrates the sources from which Energex obtained the required information:

Table 2-3 Data Sources

Variable	Source

3.6.7.2 Timely Repair of Faulty Street Lights	
Street lights - average monthly number "out"	Ellipse MSQ620
Street lights - not repaired by "fix by" date	Report Explorer ELL00195
Street lights - average number of days to repair	Contractor supplied quarterly report, Mean days to Repair
Total number of street lights	Network Data Group

Methodology

Streetlights - average monthly number "out"

An Ellipse report (MSQ620) is run with the data date range of 2019-2020 financial year for workgroup is CXOXCDP with a category of work is 13/01 Streetlight. The total of this report is divided by 12 to give the average monthly to be reported.

Street lights - not repaired by "fix up" date

A report (Explorer ELL00195 Outstanding / Not on time report) is run with the date range of 2019-2020 financial year with a workgroup is CXOXCDP. The total of this report is reported as the result for the regulatory year.

Street lights - average number of days to repair

The results from the four quarterly contractor reports are combined to give the mean days to repair for the regulatory year.

Total number of street lights

The Network Data Group runs a query on public lighting asset data base which calculates the total number of street lights. Rate 1 and Rate 2 street lights only are included, Rate 3 lights have been emitted.

Assumptions

Rate 1 and 2 street lights only are included.

Rate 3 lights have been emitted.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 3.6.8 Network Feeders

Table 3.6.8 - Network Feeder Reliability

Compliance with the RIN Requirements

Energex has prepared the information provided in Template 3.6.8 Network Feeders, Table 3.6.8 - Network Feeder Reliability in accordance with the RIN requirements, including the Principles and Requirements set out in Appendix A and definitions in Appendix F to the RIN and in accordance with Economic Benchmarking RIN instructions and definitions (November 2013).

Energex has populated all variables for cells shaded yellow as required by the RIN.

Energex has not populated information in relation to Momentary Feeder outages (MAIFI) which is greyed out and not applicable to it for the regulatory control period.

Sources

Energex has sourced data from its internal outage management and asset management systems (PON / EPM / NFM) for the relevant regulatory year.

Consumption for the "Energy Not Supplied" was sourced from the Network billing system Peace.

Feeder Maximum Demand data is sourced from Netplan and the line length data set for sourced from the Energex NFM System and represents the network as it was configured at the end of the relevant regulatory year.

Methodology

Energex queried the corporate reporting system EPM/PON to retrieve:

- Outage data by transformer with the associated attributes of allocated feeder, category, duration, customer minutes lost and customers interrupted and feeder customer numbers.
- Current 11kv feeders at the end of the reporting period with customers allocated.

Energex queried the corporate reporting system NFM (Network Facilities Management) to retrieve:

- Feeder location data.
- Feeder length overhead and underground.
- Energex queried the corporate reporting system NETPLAN to retrieve:
- Maximum demand for a feeder where available

This data was combined to produce table 3.6.8 Network Feeder Reliability.

As relevant, Energex has also applied definitions and methodology as set out in the AER's Electricity DNSPs, STPIS (November 2009) and Economic Benchmarking RIN instructions and definitions (November 2013), which remains applicable to Energex for the current regulatory control period.

Table 3.6.8 - Network Feeder Reliability

Feeder ID / Name Energex used its unique identifier for each feeder in the reported data.

Description of the service area for the feeder is as per the Geographical location The feeder service area consists of the suburbs traversed by the feeder. Where a feeder has no customers allocated the location data may not be available. (i.e. Feeder is decommissioned or reconfigured)

Feeder classifications are CBD, Urban (UR) & Short Rural (SR) as per the definitions in Appendix A of the AER's Electricity DNSP's, STPIS (November 2009). Reporting is based on the feeder's classification the end of the regulatory year.

Number of distribution customers on a feeder is the total of customers connected at the end of the regulatory year (30 June). If the feeder was only active for a short period throughout the year the customers where calculated by adding the total of customers connected to the feeder when the feeder became active in the regulatory.

Length of HV distribution lines [overhead] Energex has applied the Overhead route length measurement where available as per the STPIS guidelines.

Length of HV distribution lines [underground] Energex has applied the Underground route length measurement where available as per the STPIS guidelines.

Maximum demand values on a distribution feeder during the regulatory year are provided in MVA. This is provided by Energex's System Development Group through the Current State Assessment report for distribution feeders.

Energy Not Supplied MWh (unplanned and planned) has been calculated using data reported for unplanned/planned customer minutes off supply (Mins) multiplied by the average consumption by feeder (in minutes) sourced from Peace.

This is in accordance with methodology Chapter 7. Table 7.2 approach three *"average consumption of customers on the feeder based on their billing history"* as defined in the Economic Benchmarking RIN instructions and definitions (November 2013) for energy not supplied, inclusive of the exclusions under clause 3.3(b) (Major Event Days) and exclusive of the exclusions in accordance with clauses 3.3(a) of the AER's STPIS scheme and exclusive of Customer Installation Faults/Failures which reside beyond the electricity supply network.

The calculations are based on current connectivity by feeder and not connectivity at the time of the outage. For some feeders that no longer active or have changed connectivity in the system the

average consumption per minute over all feeders is used. The methodology adopted is irrespective of the time of day the outages occurred.

Total number of unplanned outages records the total number of completed sustained unplanned interruptions that occurred on that distribution feeder during the relevant regulatory year, inclusive of exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme.

Unplanned customer minutes off-supply (SAIDI) (including excluded events and MEDs) represents SAIDI calculated by the summated feeder unplanned customer minutes on the feeder for the year divided by the number of customers on the feeder for the relevant regulatory year, inclusive of all exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and inclusive customer installation faults/failures which reside beyond the electricity supply network.

Unplanned customer minutes off-supply (SAIDI) (after removing excluded events and MED) represents SAIDI calculated by the summated feeder unplanned customer minutes on the feeder for the year divided by the number of customers on the feeder for the relevant regulatory year, after removing all exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and exclusive customer installation faults/failures which reside beyond the electricity supply network.

Unplanned interruptions (SAIFI) (including excluded events and MEDs) represents SAIFI calculated by the summated feeder unplanned customer interruptions on the feeder for the year divided by the number of customers on the feeder for the relevant regulatory year, inclusive of all exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and inclusive customer installation faults/failures which reside beyond the electricity supply network.

Unplanned interruptions (SAIFI) (after removing excluded events and MEDs) represents SAIFI calculated by the summated feeder unplanned customer interruptions on the feeder for the year divided by the number of customers on the feeder for the relevant regulatory year, after removing all exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and exclusive customer installation faults/failures which reside beyond the electricity supply network.

Total number of planned outages records the total number of completed sustained planned interruptions that occurred on the distribution feeder during the relevant regulatory year.

Planned customer minutes off-supply (SAIDI) (including MEDs) represents SAIDI calculated by the summated feeder planned customer minutes on the feeder for the year divided by the average number of customers on the feeder for the relevant regulatory year, inclusive of STPIS exclusions in accordance with clauses 3.3(b) of the AER's STPIS scheme and inclusive customer installation faults/failures or Requests which reside beyond the electricity supply network.

Planned customer minutes off-supply (SAIDI) (after removing MED) represents SAIDI calculated by the summated feeder planned customer minutes on the feeder for the year divided by the average number of customers on the feeder for the relevant regulatory year, after removing STPIS exclusions

in accordance with clauses 3.3(b) of the AER's STPIS scheme and inclusive customer installation faults/failures or Requests which reside beyond the electricity supply network.

Planned interruptions (SAIFI) (including MEDs) represents SAIFI calculated by the summated feeder planned customer interruptions on the feeder for the year divided by the average number of customers on the feeder for the relevant regulatory year, inclusive of STPIS exclusions in accordance with clauses 3.3(b) of the AER's STPIS scheme and inclusive customer installation faults/failures or Requests which reside beyond the electricity supply network.

Planned interruptions (SAIFI) (after removing MED) represents SAIFI calculated by the summated planned feeder customer interruptions on the feeder for the year divided by the average number of customers on the feeder for the relevant regulatory year, after removing STPIS exclusions in accordance with clauses 3.3(b) of the AER's STPIS scheme and inclusive customer installation faults/failures or Requests which reside beyond the electricity supply network.

Assumptions

Energex has supplied outage data from the corporate reporting system EPM (Energex Performance Management). In classifying each interruption by category there were individual transformer interruptions where a category could not be retrieved (Null category) and these are therefore not included in the reported figures as listed below.

In order to obtain the information for the relevant regulatory year, Energex applied the following assumptions:

- Relevant Financial Year (Between 1 July and 30 June)
- Include all distribution feeders that experienced completed sustained (> 1min) unplanned and planned interruptions.
- Include all active distribution feeders that did not experience any interruptions and that have customers attached to the feeder as at 30 June in the relevant regulatory year
- A customer is defined as a premise having an assigned Active NMI with an Active Account. Customer numbers are held in the ECORP database.
- It should be noted that the totals of the above two line length data in this Table 3.6.8 have no bearing on the feeder classifications assigned to the distribution feeders for relevant financial year reliability performance reporting. The line length data that was utilised to assign feeder classifications is based on network as it was configured at the beginning of the relevant regulatory year.
- An event caused by a customer's electrical installation, failure or request of that electrical installation which only affects supply to that customer is not deemed an interruption as defined, "A sustained interruption is any loss of electricity supply to a customer associated

with an outage of any part of the electricity supply network" STPIS 2009 and CA RIN Appendix E 18.2]. These events have been confirmed through site inspection to have resulted from faults and failures within the customer's installation and as such are considered to be an event beyond the boundary of the electricity supply network and therefore handles as an exclusion from Energex reported reliability performance under the STPIS.

- All outages with a null cause code were assigned by Default "General No Cause Reported" (GN-NR) and incorporated into reporting.
- Energex has supplied outage data from the corporate reporting system EPM (Energex Performance Management). In classifying each interruption by category there were individual transformer interruptions where a category could not be retrieved (Null category) and these are therefore not included in the reported figures as listed below.
- The most recently updated meter consumption data sourced from Peace for each NMI was extracted, standardised and loaded into a table. The most recently updated feeder data from NFM linking each NMI to the relevant Feeder was joined to the meter data table. A query was then run to consolidate all NMIs' annual consumption data relating to each feeder to give their annual consumption. The total is then used to calculate the average customer consumption per minute per feeder.

Planned Sustained events:

Planned sustained interruptions "Unallocated" Transformers (Transformers with Null category assigned) are not able to be assigned to a feeder and are therefore not included in the data reported.

For planned outages there were 8 sustained transformer records with no category. This resulted in a Customer Minutes Lost (CML) of 41,170.98 and a Customers Interrupted (CI) of 135. This equates to a MSS system SAIDI of 0.028 minutes and a system SAIFI of 0.0001 interruptions. The percentage error against the normalised MSS reported values are:

- SAIDI- No category error MSS planned is normalised CML (41,170.98 CMINS / 1,508,429 = 0.0273 System minutes) = (0.0273 System minutes / 97.192) * 100 = 0.028%
- SAIFI - No category error MSS planned is normalised CI (135 CINTS/ 1,508,429 = 0.0001 System Interruptions = (0.0001 System Interruptions / 0.840) * 100 = 0.011%
- The list of feeders supplied is a combination of the current feeder category combination at the end of the reporting period, with associated distribution customer numbers and a historical listing of feeder category combinations experiencing outages through the reporting period.
- Not all listed active feeders have had an outage.

Estimated Information

Energex has provided 'Actual Information' in relation to all Reliability statistics from the outage management system.

Energex has provided 'Estimated Consumption data Information', therefore the Energy not Supplied is an Estimate in Table 3.6.8 for the relevant regulatory year.

Where information is provided it is done so in accordance with the AER's definitions and applying the assumptions and methodology that is described within this Basis of Preparation.

Explanatory Notes

Not applicable.

BOP - 3.6.9 Network Reliability

Table 3.6.9 - Network Feeder Reliability - Planned Outages

Table 3.6.9.1 - Planned Minutes off Supply (SAIDI)

Table 3.6.9.2 - Planned Interruptions to Supply (SAIFI)

Compliance with the RIN Requirements

Energex has prepared the information provided in Template 3.6.9 Network Feeder Reliability,

Table 3.6.9.1 Planned Minutes of Supply (SAIDI) and Table 3.6.9.2 Planned Interruptions to Supply (SAIFI) in accordance with the RIN requirements, including the Principles and Requirements set out in Appendix A and definitions in Appendix F to the RIN.

Energex has populated all variables for cells shaded yellow as required by the RIN.

Energex has not populated information in relation to LONG RURAL which is greyed out and not applicable to it for the regulatory control period.

Sources

Energex has sourced data from its internal outage management PON/ EPM for the relevant regulatory year.

Methodology

Energex queried the transformer outage data from EPM to establish the Customer Minutes Lost (CML) and Customers Interrupted (CI) for the reporting period.

3.6.9 - Network Feeder Reliability - Planned Outages

3.6.9.1 - Planned Minutes Off Supply (SAIDI)

SAIDI for each regulated feeder classification are calculated based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed planned sustained (> 1min) interruptions
- Feeder Classifications: CBD, Urban (UR) & Short Rural (SR)
- SAIDI calculation - Customer minutes divided by average number of customers

Inclusive of the STPIS exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme for Electricity DNSPs (November 2009) and inclusive customer installation faults/failures and requests which reside beyond the electricity supply network.

3.6.9.2 - Planned Interruptions Off Supply (SAIFI)

SAIFI for each regulated feeder classification are calculated based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed planned sustained (> 1min) interruptions
- Feeder Classifications: CBD, Urban (UR) & Short Rural (SR)
- SAIFI calculation - Customer interruptions divided by average number of customers

Inclusive of the STPIS exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme for Electricity DNSPs (November 2009) and inclusive customer installation faults/failures and requests which reside beyond the electricity supply network.

Assumptions

"Unallocated" Transformers (Transformers with Null category assigned) are not able to be assigned to a feeder and are therefore not included in the data reported. For planned outages there were 8 sustained transformer records with no category. This resulted in a Customer Minutes Lost (CML) of 41,170.98 and a Customers Interrupted (CI) of 135. This equates to a MSS system SAIDI of 0.0273 minutes and a system SAIFI of 0.0001 interruptions.

Null Feeder Classification error

- SAIDI- No category error MSS planned is normalised CML (41,170.98 CMINS / 1,508,429 = 0.0273 System minutes) = (0.0273 System minutes / 97.192) * 100 = 0.028%
- SAIFI - No category error MSS planned is normalised CI (135 CINTS/ 1,508,429 = 0.0001 System Interruptions = (0.0001 System Interruptions / 0.840) * 100 = 0.011%

Null Cause error

- All outages with a null cause code were assigned by Default "General No Cause Reported" (GN-NR) and incorporated into reporting.

Estimated Information

Energex has provided actual information in Table 3.6.9.1 and Table 3.6.9.2 for the relevant regulatory year.

Where information is provided it is done so in accordance with the AER's definitions and applying the assumptions and methodology that is described within this Basis of Preparation.

Explanatory Notes

Not applicable.

BOP - 6.2 STPIS Reliability

Table 6.2.1 - Unplanned Minutes off Supply (SAIDI)

Table 6.2.2 - Unplanned Interruptions to Supply (SAIFI)

Table 6.2.4 - Distribution Customer Numbers

Compliance with the RIN Requirements

Energex has prepared information provided in Template 6.2 table 6.2.1 unplanned minutes of supply (SAIDI), table 6.2.2 Unplanned Interruptions to Supply (SAIFI) and table 6.2.4 Distribution Customer Numbers for current year in accordance with the RIN requirement, including the Principles and Requirements set out in Appendix A and definitions in Appendix F to the RIN.

Energex has populated all variables for cells shaded yellow as required by the RIN.

Energex has not populated information in relation to Long Rural and all variables relating to "Average customer numbers", which are greyed out and not applicable to it under the RIN issued.

Sources

Energex has sourced data from its internal outage management and asset management systems (PON/EPM/NFM) for the relevant regulatory year.

Methodology

Energex queried the corporate reporting system EPM to retrieve all unplanned sustained transformer interruptions. Associated fields such as category, duration, cause, Customer Minutes Lost (CML) and Customers Interrupted (CI) were recorded against these interruptions.

Distribution Feeders are classified as CBD, Urban (UR) & Short Rural (SR) as per the definitions in Appendix A of the AER's Electricity Distribution Network Service Providers (DNSPs), Service Target Performance Incentive Scheme (STPIS) (November 2009). Reporting is based on the feeder's classification at the end of the relevant regulatory year as at 30 June.

An event caused by a customer's electrical installation or failure of that electrical installation which only affects supply to that customer is not deemed an interruption as defined, "A sustained interruption is any loss of electricity supply to a customer associated with an outage of any part of the electricity supply network" STPIS 2009 and CA RIN [Appendix E 18.2]. These events have been confirmed through site inspection to have resulted from faults and failures within the customer's installation and as such are considered to be an event beyond the boundary of the electricity supply network and therefore excluded from Energex reported reliability performance under the STPIS.

Exclusions are applied in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme for Electricity DNSPs (November 2009), and excluding Customer Installation Faults/Failures which reside beyond the electricity supply network.

Whole of Network statistics (in the absence of specification) were assumed to encompass the summation of CBD, Urban (UR) & Short Rural (SR) (customer minutes, customer interruptions and customer numbers).

6.2.1 - Unplanned Minutes off Supply (SAIDI)

Total sustained minutes off supply

SAIDI for each feeder classification are calculated based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed unplanned sustained (> 1 min) interruptions
- Feeder Classifications: CBD, UR & SR
- Feeder Classification: Whole of network (summation of CBD, UR & SR)
- SAIDI calculation - Customer minutes divided by average number of customers

Inclusive of the exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and Customer Installation Faults/Failures which reside beyond the electricity supply network.

Total of excluded events*see 3.3 of STPIS

SAIDI for each feeder classification based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed unplanned sustained (> 1min) interruptions
- Feeder Classifications: CBD, UR & SR
- Feeder Classification: Whole of network (summation of CBD, UR & SR)
- SAIDI calculation - Customer minutes divided by average number of customers

Summation of the exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and Customer Installation Faults/Failures which reside beyond the electricity supply network.

Total sustained minutes off supply after removing excluded events

SAIDI for each feeder classification was calculated based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed unplanned sustained (> 1min) interruptions

- Feeder Classifications: CBD, UR & SR
- Feeder Classification: Whole of network (summation of CBD, UR & SR)
- SAIDI calculation - Customer minutes divided by average number of customers

Exclusive of the exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and Customer Installation Faults/Failures which reside beyond the electricity supply network.

Table 6.2.2 - Unplanned Interruptions to Supply (SAIFI) Total sustained interruptions

SAIFI for each feeder classification are calculated based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed unplanned sustained (> 1min) interruptions
- Feeder Classifications: CBD, UR & SR
- Feeder Classification: Whole of network (summation of CBD, UR & SR)
- SAIFI calculation - Customer interruptions divided by average number of customers

Inclusive of the exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and Customer Installation Faults/Failures which reside beyond the electricity supply network.

Total of excluded events*see 3.3 of STPIS

SAIFI for each feeder classification based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed unplanned sustained (> 1min) interruptions
- Feeder Classifications: CBD, UR & SR
- Feeder Classification: Whole of network (summation of CBD, UR & SR)
- SAIFI calculation - Customer interruptions divided by average number of customers

Summation of the exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and Customer Installation Faults/Failures which reside beyond the electricity supply network.

Total sustained interruptions off supply after removing excluded events

SAIFI for each feeder classification was calculated based on the following criteria:

- Relevant Financial Year (Between 1 July and 30 June)
- Completed unplanned sustained (>1min) interruptions
- Feeder Classifications: CBD, UR & SR

- Feeder Classification: Whole of network (summation of CBD, UR & SR)
- SAIFI calculation - Customer interruptions divided by average number of customers

Exclusive of the exclusions in accordance with clauses 3.3(a) & (b) of the AER's STPIS scheme and Customer Installation Faults/Failures which reside beyond the electricity supply network.

Table 6.2.4 - Distribution Customer Numbers

Customer numbers at the start of the reporting period is the number of Customers (by feeder), measured on the first day of the Relevant Regulatory Year (1 July).

Customer numbers at the end of the reporting period is the number of Customers (by feeder), measured on the last day of the Relevant Regulatory Year (30 June).

A Customer is a distribution customer with an active account and active National Metering Identifier (NMI) i.e. inactive accounts are excluded.

Note: the whole of network customer number represents the sum of the total numbers of the customers on all three feeder classifications (CBD, UR & SR) for each of the start and end of the report period.

The (greyed out) number of distribution customers is calculated as the average of the number of customers at the beginning of the reporting period and the number of customers at the end of the reporting.

Furthermore, the (greyed out) calculated average number of distribution customers for whole of network is the average of the total numbers of customers on all three feeder classifications (CBD, UR & SR) at the beginning of the reporting period (1 July) and the total number of customers at the end of the reporting period (30 June), rounded up to nearest whole number.

Assumptions

No assumptions were made.

Estimated Information

Energex has provided actual information in Table 6.2.1 for the relevant regulatory year. Where information is provided it is done so in accordance with the AER's definitions and in accordance with Clauses 3.3(a) & (b) of the AER's STPIS scheme for Electricity DNSP's (November 2009), and applying the assumptions and methodology that is described within this Basis of Preparation.

Explanatory Notes

Not applicable.

BOP - 6.6 Customer Service

Table 6.6.1 - Telephone Answering

Compliance with the RIN Requirements

Table 6-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 6-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
As per definition in STPIS guideline November 2009: ***Telephone Answering*** Calls to the fault line answered in 30 seconds where the time to answer a call is measured form when the call enters the telephone system of the call centre (including that time when it may be ringing unanswered by any response) and the caller speaks with a human operator, but excluding the time that the caller is connected to an automated interactive service that provides substantive information. This measure does not apply to: • calls to payment lines and automated interactive services; • calls abandoned by the customer within 30 second of the call being queued for response by a human operator. Where the time in which a telephone call is abandoned is not measured, then an estimate of the number of calls abandoned within 30 seconds will be determined by taking 20 per cent of all calls abandoned.	Using a custom report in CUIC, data is filtered to ensure that only calls to the Loss of Supply and Emergency lines that have been queued for a human operator are extracted. The data is split into daily intervals to comply with removal of MEDs as per STPIS requirements.

Sources

Table 6-2 specifies the sources from which Energex obtained the required information:

Table 6-2 Data Sources

Variable	Source
Telephone Answering	Cisco Unified Intelligence Center (CUIC)

Methodology

As per the assumptions below, calls that are made to Energex are recorded at certain intervals as the call transitions between the automated IVR and queueing for answer by a human operator. The call data is recorded by the Cisco system managed jointly by Optus and Energy Queensland. This data is extracted using the Cisco Unified Intelligence Centre, a web based application.

A pre-existing report was utilised in CUIC to report on the measures required for STPIS/RIN. These reports were run, and the data extracted to provide the figures required. In addition, throughout the year, the Customer Performance team tracks our performance against STPIS daily. The extracted data is cross-checked against this for validation.

An additional report in EPM created by the Network Reliability team (RNP026) is used to confirm STPIS MED dates.

Assumptions

Energex has several phone numbers including a Loss of Supply line, Emergency line and General Enquiry line. Energex assumes a Fault call is a call made to either the Loss of Supply or Emergency lines. The Loss of Supply and Emergency lines use an IVR which has the capability to automatically identify the location of a caller (where Energex recognises the number through Call Line Identification- CLI) and to provide specific outage advice to those callers. This automated IVR information positively satisfies a large proportion of the callers to the Loss of Supply line. Calls that proceed through the IVR are subsequently recorded at various stages, such as when they are answered and when the call ends. This allows collection of data such as average wait time and volume of calls answered within 30 seconds.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Updated and simplified call flows were introduced into the telephony platform throughout July 2019 which has reduced the number of different queues that compile all fault call types. This has no impact on reporting. This has meant that when compiling the telephony data for 2019-20, reporting against all new and legacy queues has taken place to ensure a full dataset for the financial year.

BOP - 6.7 STPIS Daily Performance

Table 6.7.1 - Daily Performance Data - Unplanned

Compliance with the RIN Requirements

Table 7-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 7-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
The excluded events to be removed from the data refer only to events listed in clause 3.3(a) of the STPIS, with respect to reliability data, and in clause 5.4 of the STPIS with respect to customer service parameters. Customer service information must be reported as per the definitions in the STPIS, that is excluding: • calls to payment lines and automated interactive services • calls abandoned by the customer within 30 seconds of the call being queued for response by a human operator (where the time in which a telephone call is abandoned is not measured, then an estimate of the number of calls abandoned within 30 seconds will be determined by taking 20 per cent of all calls abandoned).	Using several reports in CUIC, relevant data is extracted for the fault lines that have been queued for a human operator.

Sources

Table 7-2 below demonstrates the sources from which Energex obtained the required information:

Table 7-2 Data Sources

Variable	Source
Telephony Data	Cisco Unified Intelligence Center (CUIC) EPM Report - RNP026 - MED List

Methodology

As per the assumptions below, calls that are made to Energex are recorded at certain intervals as the call transitions between the automated IVR and queueing for answer by a human operator. The call data is recorded by the Cisco system managed jointly by Optus and Energy Queensland. This data is extracted using the Cisco Unified Intelligence Centre, a web based application.

A pre-existing report was utilised in CUIC to report on the measures required for STPIS/RIN. These reports were run and the data extracted to provide the figures required. In addition, throughout the year, the Customer Performance team tracks our performance against STPIS on a daily basis. The extracted data is cross-checked against this for validation.

An additional report in EPM created by the Network Reliability team (RNP026) is used to confirm STPIS MED dates.

Assumptions

Energex has a number of phone numbers including a Loss of Supply line, Emergency line and General Enquiry line. Energex assumes a Fault call is a call made to either the Loss of Supply or Emergency lines... The Loss of Supply and Emergency lines use an IVR which has the capability to automatically identify the location of a caller (where Energex recognises the number through Call Line Identification- CLI) and to provide specific outage advice to those callers. This automated IVR information positively satisfies a large proportion of the callers to the Loss of Supply line. Calls that proceed through the IVR are subsequently recorded at various stages, such as when they are answered and when the call ends. This allows collection of data such as average wait time and volume of calls answered within 30 seconds.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Updated and simplified call flows were introduced into the telephony platform throughout July 2019 which has reduced the number of different queues that compile all fault call types. This has no impact on reporting. This has meant that when compiling the telephony data for 2019-20, reporting against all new and legacy queues has taken place to ensure a full dataset for the financial year.

BOP - 6.9 STPIS GSL

Table 6.9.1 - Guaranteed Service Levels - Jurisdictional GSL Scheme

Compliance with the RIN Requirements

Table 8-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 8-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Table 6.9.1 collects information relating to jurisdiction GSL scheme parameters. These parameters can be found in the jurisdictional scheme relevant to NSP. Please identify each parameter in the relevant sub-tables and provide the volume and value of GSL payments. For GSL parameters that do not fit within the provided sub-tables provided, please enter a heading and identify the relevant parameter(s).	GSLs have been reported as per their categorisation in the Electricity Distribution Network Code (Section 2.3).

Sources

Table 8-2 specifies the sources from which Energex obtained the required information:

Table 8-2 Data Sources

Variable	Source
GSL Data - Responsible Area	Cherwell (Complaints Management System)
GSL Data - Count and Payment Value	EPM

Methodology

Guaranteed Service Level (GSL) payments are processed using the corporate Complaint Management System (Cherwell). The implementation of Cherwell allowed GSL's to be automatically identified in the vast majority of instances; additionally, customers/staff can manually raise a GSL request. Only 3% of GSLs paid were manually raised by a customer.

Daily the information contained in Cherwell undergoes an Extract Transform Load (ETL) process and is made available in the Energex Data Warehouse. This data can be accessed via the Energex Performance Management (EPM) platform.

Once the data is extracted it goes through a series of checks to ensure its veracity. These include but are not limited too;

- Cross referencing of data to the quarterly EDNC reports provided to the QCA
- Data validation against the dollar values and analysis of any abnormalities using the source system
- Sample set randomly selected and checked against the source system

These methods in combination with the processes utilised by the Customer Investigations and Resolutions (CIR) team ensure that the data provided is accurate.

Please note, that the dollar figure for each category will not always be divisible by the GSL payment amount. These instances have been investigated and it has been identified that this is the result of one or more premises reaching the payment cap for GSL's for the financial year ($454).

Assumptions

GSL's have been identified using the categories in the Queensland Competition Authority's (QCA) Electricity Distribution Network Code (EDNC).

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 7.8 Avoided TUOS Payments

Table 7.8.1 - Avoided TUOS Payments

Compliance with the RIN Requirements

Table 9-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 9-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Avoided TUOS payment are the payments made by Energex in accordance with clause 5.5(h) of the NER: A Distribution Network Service Provider must pass through to a Connection Applicant the amount calculated in accordance with paragraph (i) for the locational component of prescribed TUOS services that would have been payable by the Distribution Network Service Provider to a Transmission Network Service Provider had the Connection Applicant not been connected to its distribution network ('avoided charges for the locational component of prescribed TUOS services').	Energex has reported Avoided TUOS payment in accordance with the clause 5.5(h) of the NER.
Embedded generators NER definition: A Generator who owns, operates or controls an embedded generating unit.	Energex has reported Avoided TUOS payment in accordance with the NER definition for Embedded Generators. Energex has applied these definitions consistently.
Market network service providers NER definition: A Network Service Provider who has classified any of its network services as a market network service in accordance with Chapter 2 and who is also registered by AEMO as a Market Network Service Provider under Chapter 2.	Not applicable
Other (avoided TUOS payment) is any avoided TUOS payment made by a person that is not an Embedded Generator or Market Network Service Provider.	Not applicable

Sources

Table 9-2 below demonstrates the sources from which Energex obtained the required information:

Table 9-2 Data Sources

Variable	Source
Embedded generators	Separately identified in the CAM recast data extract FIN080
Market network service providers	Not applicable
Other	Not applicable

Methodology

A specific account code from the CAM recast data extract FIN080 is used to identify Avoided TUOS payments.

Assumptions

No assumptions were made.

Estimated Information

Energex has provided Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 7.10 Juris Scheme

Table 7.10.1 - Jurisdictional Scheme Payments

Compliance with the RIN Requirements

Table 10-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 10-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Business must list each relevant jurisdictional scheme individually and report information for each scheme separately from other schemes. Jurisdictional Scheme Payment In respect of a Jurisdictional Scheme, the amounts Energex is required under the Jurisdictional Scheme obligations to: • pay to a person • pay into a fund established under an Act of a participating jurisdiction • credit against charges payable by a person • reimburse a person • less any amounts recovered by the DNSP from any person in respect of those amounts other than under the NER.	The Queensland Solar Bonus Scheme (SBS) established under section 55A of the Electricity Act is classified as a jurisdictional scheme pursuant to clause 6.18.7A of the National Electricity Rules (NER). The Australian Energy Market Commission (AEMC) Levy is also classified as a jurisdictional scheme in accordance with rule 6.18.7A of the NER.

Sources

Table 10-2 below demonstrates the sources from which Energex obtained the required information:

Table 10-2 Data Sources

Variable	Source
Solar PV	CAM recast data extract FIN080
Australian Energy Market Commission Levy	CAM recast data extract FIN073

Methodology

Solar PV - specific account code from the CAM recast data extract FIN080 is used to identify Solar PV payments

AEMC Levy - specific account code from the CAM recast data extract FIN073 is used to identify the AEMC levy payments

Assumptions

No assumptions were made.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 7.11 DMIS DMIA

Table 7.11.1 - DMIA - Projects Submitted for Approval

Compliance with the RIN Requirements

Table 11-1 - Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
The Demand Management Incentive Scheme applying to Energex as set out in the 2015-20 Distribution Determination.	The AER approved the current DMIA allowance of $1 million per annum for the 2015-2020 regulatory period. The actual spend for DMIA projects in 2019-20 met the $1 million annual allowance.

Sources

Table 11-2 - Demonstration of Compliance

Variable	Source
DMIA Projects submitted for Approval (Operating Expenditure and Capital Expenditure)	DMIA - CAM Recast data extract FIN077 GL AR RIN DMIA PROD 04082020

Methodology

The information provided in Table 7.11. DMIA and projects submitted for approval is consistent with what is reported in Schedule 1 of the RIN. Operating and capital expenditure (direct cost) for each project is obtained from CAM Recast data extract FIN077 GL AR RIN DMIA PROD 04082020. For DMIA, each project can be identified by its unique project number.

Assumptions

No assumptions were made.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 8.1 Income

Table 8.1.1 - Income Statement

Table 8.1.1.1 - Revenue

Table 8.1.1.2 - Expenditure

Table 8.1.1.3 - Profit

Compliance with the RIN Requirements

Table 12-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 12-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Audited statutory accounts: Energex is required to provide the audited set of Statutory Accounts prepared in accordance with Australian Securities and Investment Commission (ASIC) requirements.	All disclosures have been reconciled to the Audited Statutory Accounts of Energex's Parent Entity, Energy Queensland Limited. Please refer to Note 28(B) of the Energy Queensland Limited Audited Statutory Accounts.
The adjustments made to Audited statutory accounts to arrive at the accounts for the Distribution Business. The adjustments should include unregulated activities and any other adjustments.	Adjustments reflect both regulated, unregulated and other regulatory adjustments. Regulated adjustments relate to reclassifications within the Annual Performance Regulatory Information Notice (AR RIN) while unregulated adjustments relate to items that are treated as unregulated under the AER service classification framework. Other regulatory adjustments relate to Energy Queensland operating model changes and CAM recast changes.
Distribution Business comprises standard control services + alternative control services + negotiated services.	As Energex does not currently have negotiated services, Distribution Business comprises both Standard Control Services and Alternative Control Services only.
Standard control services as defined in the 2015-20 Distribution Determination.	Standard control services have been reported in line with the AERs Final Decision for the 2015-20 Regulatory control period.
Alternative control services must align with those alternative control services set out in the 2015-20 Distribution Determination (Attachment 13 - Classification of services October 2015)	Alternative control services align with the services set out in Attachment 13 - Classification of Services October 2015.

8.1.1.1.1 Revenue - Definition	
Distribution Revenue is revenue earned from the provision of standard control services, alternative control services and negotiated services and excludes capital contributions.	Distribution revenue reflects both standard control and alternative control services. Capital contributions are excluded. Energex does not currently have any negotiated services.
Cross boundary revenue is Inter-DNSP revenue which is revenue from another DNSP for using Energex's distribution network.	Not applicable as no cross boundary revenue is reported.
TUOS revenue is revenue from TUOS charges.	TUOS revenue has been reconciled to the Audited Statutory Accounts.
Jurisdictional scheme amounts has the meaning given in clause 6.18.7A(d)	Jurisdictional scheme amounts represent Solar PV government grant revenue.
8.1.1.2 - Expenditure - Definition	
TUOS cost is transmission charges to be paid to transmission network service providers which include Avoided TUOS payments.	TUOS costs reflect payments made to transmission network service providers. As per the requirements of Template 8.1.1 avoided TUOS payments are disclosed separately.
Cross boundary charges are inter-DNSP payments which are the cost of using another DNSP's distribution network.	Cross boundary costs are recognised separately from TUOS costs.
Finance charges include for the purpose of the Financial Information Templates (Income worksheet) interest expenses.	Finance charges include capitalised interest and discounting of non-current long service leave.
Impairment losses are a special, non-recurring charge taken to write down an asset with an overstated book value.	Impairment losses are included in depreciation, amortisation and impairment expense in statutory accounts but have been disclosed separately for AR RIN reporting purposes.
Jurisdictional Scheme Payment In respect of a Jurisdictional Scheme, the amount a DNSP is required under the Jurisdictional Scheme obligations to: (a) pay to a person (b) pay into a fund established under an Act of a participating jurisdiction (c) credit against charges payable by a person (d) reimburse a person less any amount recovered by the DNSP from any person in respect of those amounts other than under the NER.	The Queensland Solar Bonus Scheme (SBS) established under Section 55A of the Electricity Act is classified as a jurisdictional scheme pursuant to clause 6.18.7A of the National Electricity Rules. The Australian Energy Market Commission (AEMC) levy is also classified as a jurisdictional scheme in accordance with rule 6.18.7A of the NER.
Maintenance expenditure is those expenditures which are directly and specifically attributable to Maintenance that are not Capital Expenditure.	Maintenance expenditure has been reported in line with the AERs specified requirements.
Operating expenditure excluding maintenance expenditure is Energex's operating expenditure excluding any	Operating expenditure has been reported in line with the

Maintenance expenditure.	AERs specified requirements.

Sources

Table 12-2 below demonstrates the sources from which Energex obtained the required information:

Table 12-2 Data Sources

Variable	Source
Distribution revenue	CAM recast data extract
Cross boundary revenue	Not applicable as no revenue reported
Contributions	CAM recast data extract
Interest income	CAM recast data extract
Jurisdictional scheme amounts	CAM recast data extract
Profit from sale of fixed assets	CAM recast data extract
TUOS revenue	CAM recast data extract
Pass through revenue (F-factor)	Not applicable as no revenue reported
Other revenue	CAM recast data extract
TUOS expenditure	CAM recast data extract
Avoided TUOS expenditure	CAM recast data extract
Cross boundary expenditure	CAM recast data extract
Depreciation	CAM recast data extract, Ellipse fixed asset register, RFM, EB RIN Assets
Finance charges	CAM recast data extract
Impairment losses	CAM recast data extract
Jurisdictional scheme amounts	CAM recast data extract

Loss from sale of fixed assets	CAM recast data extract, Ellipse fixed asset register
Maintenance expenditure	CAM recast data extract, Opex accounts
Operating expenditure excluding maintenance expenditure	CAM recast data extract, Opex accounts
Other	CAM recast data extract
Income tax expense	CAM recast data extract, Ellipse fixed asset register

Methodology

Audited Statutory Accounts

The audited statutory accounts information is extracted from the SAP general ledger. Adjustments are made between the audited statutory accounts and the AR RIN.

Adjustments

Adjustments reflect both regulated and unregulated adjustments. Regulated adjustments relate to reclassifications within the regulatory accounts while unregulated adjustments relate to items that are treated as unregulated under the AER framework. Further details on these adjustments can be found in Schedule 1 section 1.1(c).

Standard Control Services and Alternative Control Services Revenue Approach

Table 12-3 Demonstration of Compliance

Revenue Variable	Approach
Distribution revenue	Separately identified in the CAM recast data extract into their respective SCS and ACS components
Cross boundary revenue	Not applicable
Contributions	Separately identified in the CAM recast data extract into their respective SCS and ACS components
Interest income	Classified as Unregulated under the AER framework
Jurisdictional scheme amounts	Separately identified in the CAM recast data extract
Profit from sale of fixed assets	Written down value (WDV) of disposed assets is reclassified to Loss from Sale of Fixed Assets. Gross proceeds from sale of assets are classified as unregulated.

TUOS revenue	Separately identified in the CAM recast data extract
Pass through revenue (F-factor)	Not applicable
Other revenue	Separately identified in the CAM recast data extract
TUOS expenditure	Separately identified in the CAM recast data extract
Avoided TUOS expenditure	Separately identified in the CAM recast data extract
Cross boundary expenditure	Separately identified in the CAM recast data extract
Depreciation	Separately identified in the CAM recast data extract, Ellipse fixed asset register, RFM, EB RIN Assets
Finance charges	Separately identified in the CAM recast data extract
Impairment losses	Separately identified in the CAM recast data extract
Jurisdictional scheme amounts	Separately identified in the CAM recast data extract
Loss from sale of fixed assets	Separately identified in the CAM recast data extract, Ellipse fixed asset register
Maintenance expenditure	Separately identified in the CAM recast data extract, Opex accounts
Operating expenditure excluding maintenance expenditure	Separately identified in the CAM recast data extract, Opex accounts
Other	Separately identified in the CAM recast data extract
Income tax expense	Separately identified in the CAM recast data extract, Ellipse fixed asset register

Assumptions

No assumptions were made.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 8.2 CAPEX

Table 8.2.1 - CAPEX by Purpose - Standard Control Services 1

Compliance with the RIN Requirements

Capex by expenditure

Table 13-1 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-1 Demonstration of Compliance.

Requirements (instructions and definitions)	Consistency with requirements
Reported expenditure must EXCLUDE capital contributions (except tables 8.2.1 and 8.2.5 which should include all capital contributions). Forecast expenditure is to be taken from Energex's 2015-20 Distribution Determination If allocating based on assumptions then provide method in Basis of Preparation. All adjustments must be explained in Basis of Preparation with supporting documentation attached.	Energex has reported Capital contributions for both Standard Control Services (SCS) and Alternative Control Services (ACS) (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item.
For tables 8.2.1 and 8.2.3: Reported expenditure must INCLUDE any profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. 'Related Party Margin Expenditure' must COMPRISE ONLY profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.	Energex has reported all 'Related Party Margin Expenditure' including profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. The 'Related Party Margin Expenditure' only comprises of profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.
8.2.1 Capex by purpose - Standard Control Services Each line item in this table 8.2.1 must INCLUDE the capital contributions. Total capital contributions should also be identified in the last item in the table. Capex by purpose (or driver) categories must reflect the categories in Energex's 2015-20 Distribution Determination to enable a direct comparison to be made between forecast and actual data. (These categories should match those in	Energex has reported Capital contributions for both Standard Control Services and Alternative Control Services (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item. Energex has reported Capex in accordance with Energex's 2015-20 Distribution Determination. The adjusted forecast methodology is documented in the

Worksheet 2.1 (Expenditure Summary), Table 2.1.1 of Energex's Reset RIN response, except where specific adjustments were made by the AER in its determination). Adjusted forecast to be in equivalent dollar terms to the actual expenditure for the Relevant Regulatory Year.	'Methodology' section below. This approach also applies to tables 8.2.3, 8.2.4, 8.2.5 and 8.2.6.

Sources

Capex by expenditure

Table 13-2 below demonstrate the sources from which Energex obtained the required information:

Table 13-2 Data Sources

Variable	Source
AR RIN Template 8.2.1 Capex by Purpose - Standard Control Services	
Asset replacement	CAM recast data extract FIN084, ABS, 2015 Determination
Augmentation	CAM recast data extract FIN084, ABS, 2015 Determination
Connections and customer-initiated works	CAM recast data extract FIN084 and FIN080, ABS, 2015 Determination
Non-network	CAM recast data extract FIN084, ABS, 2015 Determination, Energex Cost Allocation Method (CAM) effective 1 July 2015, 2019-20 Energex CAM recast Work paper (CAM WP)
Capitalised overheads	CAM recast data extract FIN084, ABS, 2015 Determination
Related Party Margins	Ergon Energy provided Margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR RIN categories.

Methodology

Capex by expenditure

The appropriate disaggregation of the Forecast amounts has been determined based on the AER's Queensland Distribution Determination 2015-16 to 2019-20 (the Final Decision), which is the culmination of:

- Energex's proposed expenditure and revenue requirements sourced from Energex's Regulatory Proposal 2015-2020 (the Proposal);
- Amendments to the Proposal's capital and operating programs as directed by the AER in the Final Decision; and
- Amendments to the Proposal's expenditure and revenue requirements (including escalation factors) as directed by the AER in the Final Decision.

Energex prepared detailed Forecast calculations which formed the Forecast totals included in the Final Decision. The detailed information was sourced from the Proposal at the detailed level and updated based on the AER Final Decision.

In recognition of the use of non-network assets in the delivery of ACS, an allocation of non-network capex is made in accordance with Energex approved CAM.

An adjustment is made to non-network capital expenditure to reclassify a portion of SCS non-network capex to ACS and Unregulated. This allocation was included in the 2015-2020 CAM as a result of cessation of the transitional provisions at 30 June 2015 whereby all non-network assets were previously recognised in the SCS RAB during the 2010-2015 regulatory period. The AER approved the allocation method of non-network assets to service classifications based on causal drivers representing the most appropriate utilisation of the underlying assets. This adjustment is also reflected in Template 8.2.3 Capex Other (to include the ACS allocation) and Template 8.2.4 Capex by Asset Class (to reduce non-network assets).

Assumptions

Capex by expenditure

AR RIN Asset replacement expenditure is obtained by mapping Category Analysis (CA) RIN template Table 2.2.1 AER asset class to respective Annual Reporting (AR) RIN category (LV, HV, Sub Transmission and others) based on voltage level (refer section 15.3.2 below).

For full details on CA RIN Table 2.2.1 process, refer basis of preparation document BOP 2.2.1 Repex Expenditure and Volume.

Estimated Information

Capex by expenditure

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Capex by expenditure

Not applicable.

Table 8.2.1 - CAPEX by Purpose - Standard Control Services 2

Compliance with the RIN Requirements

Related Party Margins

Table 13-1 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Reported expenditure must EXCLUDE capital contributions (except tables 8.2.1 and 8.2.5 which should include all capital contributions). Forecast expenditure is to be taken from Energex's 2015-20 Distribution Determination If allocating based on assumptions then provide method in Basis of Preparation. All adjustments must be explained in Basis of Preparation with supporting documentation attached.	Energex has reported Capital contributions for both Standard Control Services (SCS) and Alternative Control Services (ACS) (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item.
For tables 8.2.1 and 8.2.3: Reported expenditure must INCLUDE any profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. 'Related Party Margin Expenditure' must COMPRISE ONLY profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.	Energex has reported all 'Related Party Margin Expenditure' including profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. The 'Related Party Margin Expenditure' only comprises of profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.
8.2.1 Capex by purpose - Standard Control Services Each line item in this table 8.2.1 must INCLUDE the capital contributions. Total capital contributions should also be identified in the last item in the table. Capex by purpose (or driver) categories must reflect the categories in Energex's 2015-20 Distribution Determination to enable a direct comparison to be made between forecast and actual data. (These categories should match those in Worksheet 2.1 (Expenditure Summary), Table 2.1.1 of Energex's Reset RIN response, except where specific adjustments were made by the AER in its determination).	Energex has reported Capital contributions for both Standard Control Services and Alternative Control Services (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item. Energex has reported Capex in accordance with Energex's 2015-20 Distribution Determination. The adjusted forecast methodology is documented in the 'Methodology' section below. This approach also applies to tables 8.2.3, 8.2.4, 8.2.5 and 8.2.6.

Adjusted forecast to be in equivalent dollar terms to the actual expenditure for the Relevant Regulatory Year.	

Sources

Related Party Margins

Table 13-2 below demonstrate the sources from which Energex obtained the required information:

Table 13-2 Data Sources

Variable	Source
AR RIN Template 8.2.1 Capex by Purpose - Standard Control Services	
Asset replacement	Ellipse General Ledger, ABS, 2015 Determination
Augmentation	Ellipse General Ledger, ABS, 2015 Determination
Connections and customer-initiated works	Ellipse General Ledger, ABS, 2015 Determination
Non-network	Ellipse General Ledger, ABS, 2015 Determination, Energex Cost Allocation Method (CAM) effective 1 July 2015, 2019-20 Energex CAM Work paper (CAM WP)
Capitalised overheads	Ellipse General Ledger, ABS, 2015 Determination
Related Party Margins	Ergon Energy provided Margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR RIN categories.

Methodology

Related Party Margins

Ergon Energy provided Margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR CAPEX RIN categories.

Assumptions

Not applicable.

Estimated Information

Related Party Margins

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Related Party Margins

Not applicable.

Table 8.2.1 - CAPEX by Purpose - Standard Control Services 3

Compliance with the RIN Requirements

Capex by Voltage Level

Table 13-3 - Demonstration of Compliance

Variable	Source
8.2.1 Capex by Purpose - SCS - Voltage Level (Subtransmission, HV, LV, other)	
Asset replacement	Demonstrated in Approach
Augmentation	Demonstrated in Approach
Connections and customer-initiated works	Demonstrated in Approach

Sources

Capex by Voltage Level

Table 13-4 below demonstrate the sources from which Energex obtained the required information:

Table 13-4 Data Sources

Variable	Source
8.2.1 Capex by Purpose - SCS - Voltage Level (Subtransmission, HV, LV, other)	
Asset replacement	SAP HANA
Augmentation	Tableau reporting solution for financial transactions
Connections and customer-initiated works	DMA RIN Solution

Methodology

Capex by Voltage Level

Connections

- Connections Capex in Table 8.2.3 has been classified as "Other". This represents the allocation of non-network Capex made in accordance with Energex approved CAM. Further details can be found in BOP 8.2 Capex

Table 13-5 below demonstrates the approach used to obtain the required information.

Table 13-5 Approach

Variable	Source
8.2.1 Capex by Purpose - SCS - Voltage Level (Subtransmission, HV, LV, other)	
Asset replacement	The Category Analysis (CA) RIN Repex AER Asset classes have been mapped based on AR RIN requirement as follows: CA RIN AER Asset Class with Voltage AR RIN category <=1KV LV >1kV<=22kV HV >22kV Sub-Transmission SCADA, Public Lightning, other non-AER assets (e.g.: Batteries, OHEW) Other CA RIN Repex expenditure for respective AER asset classes were consolidated and allocated accordingly to AR RIN categories.
Augmentation	The Category Analysis (CA) RIN Augex AER Asset classes have been mapped based on AR RIN requirement as follows: CA RIN Augmentation CAPEX Category AR RIN Category • 'LV Feeders' LV • 'HV Feeders' and 'Distribution Substations' HV • 'Subtransmission Lines' and 'Subtransmission Substations, Switching Stations, Zone Substations' Sub-Transmission • 'Other Assets' and 'Land Purchases and Easements' Other The CA RIN categories were consolidated and allocated accordingly to AR RIN categories.
Connections and customer-initiated works	CA RIN AER Asset Class with Voltage AR RIN category • <=1KV LV • >1kV<=22kV HV

	• >22kV Sub-Transmission N/A Other

Assumptions

Asset Replacement

- AR RIN Asset replacement expenditure is obtained by mapping Category Analysis (CA) RIN template Table 2.2.1 AER asset class to respective Annual Reporting (AR) RIN category (LV, HV, Sub Transmission and others) based on voltage level (refer section 16.3.2 below).
- For full details on CA RIN Table 2.2.1 process, refer basis of preparation document BoP 2.2.1 Repex Expenditure and Volume.

Estimated Information

Capex by Voltage Level

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Capex by Voltage Level

Not applicable.

Table 8.2.2 - CAPEX by Purpose - Material Difference Explanation

Compliance with the RIN Requirements

Not applicable

Sources

AR RIN Table 8.2.1

Methodology

Not applicable

Assumptions

No assumptions have been made

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable

Table 8.2.3 - CAPEX Other 1

Compliance with the RIN Requirements

Capex by expenditure

Table 13-5 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-5 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Reported expenditure must EXCLUDE capital contributions (except tables 8.2.1 and 8.2.5 which should include all capital contributions). Forecast expenditure is to be taken from Energex's 2015-20 Distribution Determination If allocating based on assumptions then provide method in Basis of Preparation. All adjustments must be explained in Basis of Preparation with supporting documentation attached.	Energex has reported Capital contributions for both Standard Control Services (SCS) and Alternative Control Services (ACS) (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item.
For tables 8.2.1 and 8.2.3: Reported expenditure must INCLUDE any profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. 'Related Party Margin Expenditure' must COMPRISE ONLY profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.	Energex has reported all 'Related Party Margin Expenditure' including profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. The 'Related Party Margin Expenditure' only comprises of profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.
8.2.3 Capex Other Alternative control services must align with those alternative control services set out in the 2015-20 Distribution Determination (Attachment 13 - Classification of services October 2015)	Energex has reported Alternative Control Services in accordance with the 2015-20 Distribution Determination (Attachment 13 - Classification of Services October 2015). Capital contributions have been excluded.
Related Party Margin	Ellipse system entries of Ergon Energy accounts payable transactions and intercompany transactions with Inter District Indicators (IDIs). Margin amount is provided by the relevant Ergon Energy department.

Sources

Capex by expenditure

Table 13-6 below demonstrate the sources from which Energex obtained the required information:

Table 13-6 Data Sources

Variable	Source
AR RIN Template 8.2.3 Capex Other	
Public lighting	Ellipse General Ledger - CAM recast data extract FIN084 and FIN073, ABS, Energex CAM, recast CAM WP
Connection services	Energex CAM, recast CAM WP
Metering services	Ellipse General Ledger - CAM recast data extract FIN084 and FIN073, ABS, Energex CAM, recast CAM WP
Ancillary network services	Energex CAM, recast CAM WP
Related Party Margins	Ergon Energy provided Margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR RIN categories.

Methodology

Capex by expenditure

Refer to Template 8.2.1 for the methodology applied to derive the Forecast amounts and the non-network capital expenditure allocation.

Each ACS line item has been increased to reflect the non-network capital allocation discussed above in Template 8.2.1 Capex by Purpose. Metering capex includes Energex Initiated Meter Replacement capital expenditure only. Customer Requested Meter installation capex and Ancillary Network Services capex for rearrangement of network assets are excluded on the basis that this expenditure is funded by the customer and is not added to the relevant asset base for regulatory purposes. These activities are recognised as capex for statutory reporting purposes.

Capital contributions have been excluded for all ACS service types. In certain instances, there may be differences between the capital expenditure incurred and the revenue billed to the customer due to timing differences. A summary of these timing differences is provided below:

Service Type	Expenditure	Revenue	Variance
Connection Services	40,339,696.35	40,592,965.37	- 253,269.02
Metering Services	25,295.16	-	25,295.16
Ancillary Network Services	14,031,498.76	13,085,265.88	946,232.88

Energex does not have any Negotiated Services.

Ergon Energy provided Margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR CAPEX RIN categories.

Assumptions

Not applicable.

Estimated Information

Capex by expenditure

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Capex by expenditure

Not applicable.

Table 8.2.3 - CAPEX Other 2

Compliance with the RIN Requirements

Related Party Margin

Table 13-7 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-7 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Reported expenditure must EXCLUDE capital contributions (except tables 8.2.1 and 8.2.5 which should include all capital contributions). Forecast expenditure is to be taken from Energex's 2015-20 Distribution Determination If allocating based on assumptions then provide method in Basis of Preparation. All adjustments must be explained in Basis of Preparation with supporting documentation attached.	Energex has reported Capital contributions for both Standard Control Services (SCS) and Alternative Control Services (ACS) (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item.
For tables 8.2.1 and 8.2.3: Reported expenditure must INCLUDE any profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. 'Related Party Margin Expenditure' must COMPRISE ONLY profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.	Energex has reported all 'Related Party Margin Expenditure' including profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period. The 'Related Party Margin Expenditure' only comprises of profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.
8.2.3 Capex Other Alternative control services must align with those alternative control services set out in the 2015-20 Distribution Determination (Attachment 13 - Classification of services October 2015)	Energex has reported Alternative Control Services in accordance with the 2015-20 Distribution Determination (Attachment 13 - Classification of Services October 2015). Capital contributions have been excluded.
Related Party Margin	Ellipse system entries of Ergon Energy accounts payable transactions and intercompany transactions with Inter District Indicators (IDIs). Margin amount is provided by the relevant Ergon Energy department.

Sources

Related Party Margin

Table 13-8 below demonstrate the sources from which Energex obtained the required information:

Table 13-8 Data Sources

Variable	Source
AR RIN Template 8.2.3 Capex Other	
Public lighting	Ellipse General Ledger, ABS, Energex CAM, CAM WP
Connection services	Energex CAM, CAM WP
Metering services	Ellipse General Ledger, ABS, Energex CAM, CAM WP
Ancillary network services	Energex CAM, CAM WP
Related Party Margins	Ergon Energy provided Margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR RIN categories.

Methodology

Related Party Margin

Ergon Energy provided Margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR CAPEX RIN categories.

Assumptions

Not applicable.

Estimated Information

Related Party Margin

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Related Party Margin

Not applicable.

Table 8.2.3 - CAPEX Other 3

Compliance with the RIN Requirements

Capex by Voltage Level

Table 13-9 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-9 - Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
8.2.3 Capex Other - Voltage Level (Subtransmission, HV, LV, other)	
Public lighting	Demonstrated in Approach
Connection services	Demonstrated in Approach
Metering services	Demonstrated in Approach
Ancillary network services	Demonstrated in Approach

Sources

Capex by Voltage Level

Table 13-10 below demonstrate the sources from which Energex obtained the required information:

Table 13-10 Data Sources

Variable	Source
8.2.3 Capex Other - Voltage Level (Subtransmission, HV, LV, other)	
Public lighting	Ellipse General Ledger
Connection services	DMA RIN Solution
Metering services	
Ancillary network services	DMA RIN Solution

Methodology

Capex by Voltage Level

Public lighting

- LV
- Separately identified in the Ellipse General Ledger. Disclosure includes capitalised overhead and non-network capital expenditure allocation and excludes capital contributions.

Connection services

- N/A
- Disclosure represents non-network capital expenditure allocation and excludes capital contributions.

Ancillary network services

- N/A
- Disclosure represents non-network capital expenditure allocation and excludes capital contributions.

Assumptions

Not applicable.

Estimated Information

Capex by Voltage Level

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Capex by Voltage Level

Not applicable.

Table 8.2.3 - CAPEX Other 4

Compliance with the RIN Requirements

Capex by Voltage Level

Table 13-11 - Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
8.2.3 Capex Other - Voltage Level (Subtransmission, HV, LV, other)	
Public lighting	Demonstrated in Approach
Connection services	Demonstrated in Approach
Metering services	Demonstrated in Approach
Ancillary network services	Demonstrated in Approach

Sources

Capex by Voltage Level

Table 13-12 below demonstrate the sources from which Energex obtained the required information:

Table 13-12 Data Sources

Variable	Source
8.2.3 Capex Other - Voltage Level (Subtransmission, HV, LV, other)	
Public lighting	Ellipse General Ledger
Connection services	DMA RIN Solution
Metering services	
Ancillary network services	DMA RIN Solution

Methodology

Capex by Voltage Level

Metering Services

- LV
- Separately identified in the Ellipse General Ledger for meter replacement program capex. Disclosure includes capitalised overhead and non-network capital expenditure allocation and excludes capital contributions.

Assumptions

Not applicable.

Estimated Information

Capex by Voltage Level

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Capex by Voltage Level

Not applicable.

Table 8.2.4 - CAPEX by Asset Class

Compliance with the RIN Requirements

Table 13-13 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-13 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Reported expenditure must EXCLUDE capital contributions (except tables 8.2.1 and 8.2.5 which should include all capital contributions). Forecast expenditure is to be taken from Energex's 2015-20 Distribution Determination If allocating based on assumptions then provide method in Basis of Preparation. All adjustments must be explained in Basis of Preparation with supporting documentation attached.	Energex has reported Capital contributions for both Standard Control Services (SCS) and Alternative Control Services (ACS) (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item.
8.2.4 Capex by Asset Class Energex to enter in Table 8.2.4 each Asset Class specified in 2015-20 distribution determination as listed in the AER's final decision in its Roll Forward Model and Post - tax Revenue Model and enter information against that asset class.	Energex has entered information against each asset class specified in the 2015-20 Distribution Determination. Energex has excluded capital contributions from each asset class, as per the AER instructions for this table.

Sources

Table 13-14 below demonstrate the sources from which Energex obtained the required information:

Table 13-14 Data Sources

Variable	Source
AR RIN Template 8.2.4 Capex by Asset Class	
Each individual asset class listed in the AER - Final decision - Energex distribution determination - Post tax revenue model - October 2015	Ellipse General Ledger - CAM recast data extract FIN084, ABS, Energex CAM, recast CAM WP

Methodology

Refer to Template 8.2.1 for the methodology applied to derive the Forecast amounts and the non-network capital expenditure allocation.

Capex projects which do not have specific asset categories assigned are allocated to regulatory asset categories based on the general ledger activity code used for the project.

Forecast and actual amounts exclude capital contributions for connections, large customer connections and subdivisions.

Each SCS non-network asset class has been decreased to reflect the non-network capital allocation to other service classifications discussed above in Template 8.2.1 Capex by Purpose.

Movements in provisions are allocated on a pro-rata basis to as-incurred capex for the various asset classes and are deducted from each asset class capex spend.

Assumptions

Not applicable.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

Table 8.2.5 - Capital Contributions by Asset Class

Compliance with the RIN Requirements

Table 13-15 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-15 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Reported expenditure must EXCLUDE capital contributions (except tables 8.2.1 and 8.2.5 which should include all capital contributions). Forecast expenditure is to be taken from Energex's 2015-20 Distribution Determination If allocating based on assumptions then provide method in Basis of Preparation. All adjustments must be explained in Basis of Preparation with supporting documentation attached.	Energex has reported Capital contributions for both Standard Control Services (SCS) and Alternative Control Services (ACS) (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item.
8.2.5 Capital Contributions by Asset Class Capital contribution is cash or in kind contributions to capital expenditure projects and gifted assets Asset class is the classes set out in Energex's PTRM and RFM as approved in the 2015-20 Distribution Determination.	Energex has reported capital contributions for each asset class set out in Energex's PTRM and RFM as approved in the 2015-20 Distribution Determination.

Sources

Table 13-16 below demonstrate the sources from which Energex obtained the required information:

Table 13-16 Data Sources

Variable	Source
AR RIN Template 8.2.5 Capital Contributions by Asset Class	
Each individual asset class listed in the AER - Final decision - Energex distribution determination - Post tax revenue model - October 2015	Ellipse General Ledger - CAM recast data extract FIN062 and FIN077, ABS

Methodology

Refer to Template 8.2.1 for the methodology applied to derive the Forecast amounts.

Capital contributions for both Standard Control Services and Alternative Control Services (excluding public lighting) have been included.

Capital Contributions that do not have specific asset categories recorded against them are allocated to regulatory asset categories based on the proportions of identified asset categories. In instances where this results in an allocation of a capital contributions balance to a regulatory asset category that would not otherwise have capital contributions, the balance is allocated to the most material category with capital contributions. For 2019-20 this adjustment was $497.

Assumptions

Not applicable.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

Table 8.2.6 - Disposals by Asset Class

Compliance with the RIN Requirements

Table 13-17 below demonstrate how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 13-17 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
Reported expenditure must EXCLUDE capital contributions (except tables 8.2.1 and 8.2.5 which should include all capital contributions). Forecast expenditure is to be taken from Energex's 2015-20 Distribution Determination If allocating based on assumptions then provide method in Basis of Preparation. All adjustments must be explained in Basis of Preparation with supporting documentation attached.	Energex has reported Capital contributions for both Standard Control Services (SCS) and Alternative Control Services (ACS) (excluding public lighting) in Table 8.2.1. Capital contributions are included in the 'Connections and customer-initiated works' line item.
8.2.6 Disposal by Asset Class Disposal is the gross proceeds from the sale of assets.	Energex has reported disposals as the gross proceeds from the sale of assets.

Sources

Table 13-18 below demonstrate the sources from which Energex obtained the required information:

Table 13-18 Data Sources

Variable	Source
AR RIN Template 8.2.6 Disposals by Asset Class	
Each individual asset class listed in the AER - Final decision - Energex distribution determination - Post tax revenue model - October 2015	Ellipse fixed asset register, ABS

Methodology

Refer to Template 8.2.1 for the methodology applied to derive the Forecast amounts.

For the AR RIN, the Forecast amounts also include an adjustment for the actual Consumer Price Index (CPI). In accordance with the Final Decision, the CPI applied is for the December to December Weighted Average of Eight Capital Cities as per the Australian Bureau of Statistics.

Assumptions

Not applicable.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

BOP - 8.4 OPEX

Table 8.4.1 - Operating & Maintenance Expenditure - by Purpose

Compliance with the RIN Requirements

Table 14-1 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 14-1 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
8.4.1 Operating & Maintenance Expenditure - by Purpose Energex is to list the operating expenditure categories identified in Energex's regulatory proposal at table 3.2.1.1 current Opex categories and cost allocations Energex must specify any expenditure category where the expense is more than 5 per cent of the total standard control services operating expenditure Reported operating expenditure must INCLUDE any profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenditure of the related party contractor) for the regulatory reporting period.	Energex has reported Opex in accordance with the categories identified in Energex's regulatory proposal and approved cost allocations. Energex has specified any expenditure category where the expense is more than 5 per cent of the total standard control services. No profit margins or management fees were paid directly or indirectly to related party contractors for the regulatory reporting period.

Sources

Table 14-2 below demonstrates the sources from which Energex obtained the required information:

Table 14-2 Data Sources

Variable	Source
Inspection	CAM recast data extract FIN073, ABS, 2015-20 Determination
Planned Maintenance	CAM recast data extract FIN073, ABS, 2015-20 Determination
Corrective repair	CAM recast data extract FIN073, ABS, 2015-20 Determination

Vegetation	CAM recast data extract FIN073, ABS, 2015-20 Determination
Emergency response/storms	CAM recast data extract FIN073, ABS, 2015-20 Determination
Other network maintenance costs	CAM recast data extract FIN073, ABS, 2015-20 Determination
Network operating costs	CAM recast data extract FIN073, ABS, 2015-20 Determination
Network billing and other energy market services (inc Meter Reading)	CAM recast data extract FIN073, ABS, 2015-20 Determination
Customer services (inc call centre)	CAM recast data extract FIN073, ABS, 2015-20 Determination
DSM initiatives	CAM recast data extract FIN073, ABS, 2015-20 Determination
Levies	CAM recast data extract FIN073, ABS, 2015-20 Determination
Debt raising costs	CAM recast data extract FIN073, ABS, 2015-20 Determination
Other operating costs (inc self-insurance)	CAM recast data extract FIN073, ABS, 2015-20 Determination
Related Party Margin	Ellipse system entries of Ergon Energy accounts payable transactions and intercompany transactions with Inter District Indicators (IDIs). Margin amount is provided by the relevant Ergon Energy department.

Methodology

For the AR RIN, the Forecast amounts include an adjustment for the actual Consumer Price Index (CPI). In accordance with the Final Decision, the CPI applied is for the December to December Weighted Average of Eight Capital Cities as per the Australian Bureau of Statistics.

Energex has reported the Opex values for table 8.4.1 in accordance with its current Cost Allocation Approach as detailed in Table 14-3 below:

Table 14-3 Approach

Variable	Approach
Inspection	Specific account code from Energex's CAM recast data extract FIN080
Planned maintenance	Specific account code from Energex's CAM recast data extract FIN080
Corrective repair	Specific account code from Energex's CAM recast data extract FIN080
Vegetation	Specific account code from Energex's CAM recast data extract FIN080
Emergency response/storms	Specific account code from Energex's CAM recast data extract FIN080
Other network maintenance costs	Specific account code from Energex's CAM recast data extract FIN080
Network operating costs	Specific account code from Energex's CAM recast data extract FIN080
Network billing and other energy market services (inc Meter Reading)	Specific account code from Energex's CAM recast data extract FIN080. Other Support Costs are allocated to service classifications (i.e. SCS and ACS) based on the total direct spend for each service.
Customer services (inc call centre)	Specific account code from Energex's CAM recast data extract FIN080. Other Support Costs are allocated to service classifications (i.e. SCS and ACS) based on the total direct spend for each service.
DSM initiatives	Specific account code from Energex's CAM recast data extract FIN080
Levies	Specific account code from Energex's CAM recast data extract FIN080 and FIN073. The adjustment between audited statutory accounts and distribution business relates to the Australian Energy Market Commission Levy as jurisdictional scheme payment is separately reported in Template 7.10.
Debt raising costs	Following the transfer of ownership of Ergon Energy and Energex from the state to Energy Queensland Limited (EQL) on the 30 June 2016, transfers of debt for both DNSPs were made in order to comply with the Government Owned

	Corporations Regulation 2016 (Regulation). The share of the State Government debt pool held by the DNSPs prior to the formation of the group was a liability held by each DNSP. In accordance with the Regulation, all DNSP debt (Queensland Treasury Corporation Loans) was transferred back to the Government debt pool. It was then transferred to the parent entity (EQL) at the carrying amount, such that: A share of Queensland debt is held in the EQL parent entity Importantly, no debt raising costs were incurred by the DNSPs during 2019-20 as no debt was raised or refinanced. In accordance with Appendix A, Principles and Requirements in the AR RIN at par 1.1 (e) and (f) the Financial Templates are presented on a fair and consistent basis, from accounting records that underlie the costs and liabilities (amongst others) and be prepared in accordance with the general rules and format, and use the accounting principles and polices applicable to the Audited Statutory Accounts except as otherwise required by the Notice.
Other operating costs (inc self-insurance)	Separately identified in the CAM recast data extract FIN080. Other Support Costs are allocated to service classifications (i.e. SCS and ACS) based on the total direct spend for each service. The adjustment between audited statutory accounts and distribution business relates to unregulated expenditure.
Related Party Margins	Ergon Energy provided margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR OPEX RIN categories.

Assumptions

No assumptions were made.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

Table 8.4.2 - Operating & Maintenance Expenditure - by Purpose - Margins Only

Compliance with the RIN Requirements

Table 14-4 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 14-4 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
8.4.2 Operating & Maintenance Expenditure - By Purpose - Margins only "Related party margin expenditure' must COMPRISE ONLY profit margins or management fees paid directly or indirectly to related party contractors (for expenditure that is not an actual incurred expenditure of the related party contractor) for the regulatory reporting period. Adjusted forecast to be in equivalent dollar terms to the actual expenditure for the Relevant Regulatory Year	Energex reported all 'Related Party Margin Expenditure' including any profit margins or management fees paid directly or indirectly to related party contractors (not including actual incurred expenses of the related party contractor) for the regulatory reporting period.

Sources

Table 14-5 below demonstrates the sources from which Energex obtained the required information:

Table 14-5 Data Sources

Variable	Source
Inspection	Ellipse General Ledger, ABS, 2015-20 Determination
Planned Maintenance	Ellipse General Ledger, ABS, 2015-20 Determination
Corrective repair	Ellipse General Ledger, ABS, 2015-20 Determination
Vegetation	Ellipse General Ledger, ABS, 2015-20 Determination
Emergency response/storms	Ellipse General Ledger, ABS, 2015-20 Determination
Other network maintenance costs	Ellipse General Ledger, ABS, 2015-20 Determination
Network operating costs	Ellipse General Ledger, ABS, 2015-20 Determination

Network billing and other energy market services (inc Meter Reading)	Ellipse General Ledger, ABS, 2015-20 Determination
Customer services (inc call centre)	Ellipse General Ledger, ABS, 2015-20 Determination
DSM initiatives	Ellipse General Ledger, ABS, 2015-20 Determination
Levies	Ellipse General Ledger, ABS, 2015-20 Determination
Debt raising costs	Ellipse General Ledger, ABS, 2015-20 Determination
Other operating costs (inc self-insurance)	Ellipse General Ledger, ABS, 2015-20 Determination
Related Party Margin	Ellipse system entries of Ergon Energy accounts payable transactions and intercompany transactions with Inter District Indicators (IDIs). Margin amount is provided by the relevant Ergon Energy department.

Methodology

For the AR RIN, the Forecast amounts include an adjustment for the actual Consumer Price Index (CPI). In accordance with the Final Decision, the CPI applied is for the December to December Weighted Average of Eight Capital Cities as per the Australian Bureau of Statistics.

Energex has reported the Opex values for table 8.4.1 in accordance with its current Cost Allocation Approach as detailed in Table 14.3 below:

Table 14.6 - Approach

Variable	Approach
Inspection	Specific account code from Energex's Ellipse General Ledger
Planned maintenance	Specific account code from Energex's Ellipse General Ledger
Corrective repair	Specific account code from Energex's Ellipse General Ledger
Vegetation	Specific account code from Energex's Ellipse General Ledger
Emergency response/storms	Specific account code from Energex's Ellipse General Ledger
Other network maintenance costs	Specific account code from Energex's Ellipse General Ledger
Network operating costs	Specific account code from Energex's Ellipse General Ledger

Network billing and other energy market services (inc Meter Reading)	Specific account code from Energex's Ellipse General Ledger. Other Support Costs are allocated to service classifications (i.e. SCS and ACS) based on the total direct spend for each service.
Customer services (inc call centre)	Specific account code from Energex's Ellipse General Ledger. Other Support Costs are allocated to service classifications (i.e. SCS and ACS) based on the total direct spend for each service.
DSM initiatives	Specific account code from Energex's Ellipse General Ledger.
Levies	Specific account code from Energex's Ellipse General Ledger. The adjustment between audited statutory accounts and distribution business relates to the Australian Energy Market Commission Levy as jurisdictional scheme payment is separately reported in Template 7.10.
Debt raising costs	Following the transfer of ownership of Ergon and Energex from the state to Energy Queensland Limited (EQL) on the 30 June 2016, transfers of debt for both DNSPs were made in order to comply with the Government Owned Corporations Regulation 2016 (Regulation). The share of the State Government debt pool held by the DNSPs prior to the formation of the group was a liability held by each DNSP. In accordance with the Regulation, all DNSP debt (Queensland Treasury Corporation Loans) was transferred back to the Government debt pool. It was then transferred to the parent entity (EQL) at the carrying amount, such that: A share of Queensland debt is held in the EQL parent entity Importantly, no debt raising costs were incurred by the DNSPs during 2018/19 as no debt was raised or refinanced. In accordance with Appendix A, Principles and Requirements in the AR RIN at par 1.1 (e) and (f) the Financial Templates are presented on a fair and consistent basis, from accounting records that underlie the costs and liabilities (amongst others) and be prepared in accordance with the general rules and format, and use the accounting principles and polices applicable to the Audited Statutory Accounts except as otherwise required by the Notice.
Other operating costs (inc self-insurance)	Separately identified in the Ellipse General Ledger. Other Support Costs are allocated to service classifications (i.e.

	SCS and ACS) based on the total direct spend for each service. The adjustment between audited statutory accounts and distribution business relates to unregulated expenditure.
Related Party Margins	Ergon provided margin information based on invoice numbers issued to Energex that fall within Energex's AP data. The transactions with related party margins were mapped into the AR OPEX RIN categories.

Assumptions

No assumptions were made.

Estimated Information

Energex has provided 'Actual Information' (as per the AER's defined term) in relation to all variables contained in this Template.

Explanatory Notes

Not applicable.

Table 8.4.3 - Operating & Maintenance Expenditure - Explanation of Material Difference

Compliance with the RIN Requirements

Table 14-7 below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER.

Table 14-7 Demonstration of Compliance

Requirements (instructions and definitions)	Consistency with requirements
8.4.3 Operating & Maintenance Expenditure - Explanation of Material Difference Where the difference between forecast and actual expenditure shown in table 8.4.1, column I is a Material Difference please explain the main factors driving the difference.	All material differences identified in table 8.4.1 are explained in table 8.4.3.

Sources

AR RIN table 8.4.1

Methodology

Not applicable

Assumptions

No assumptions have been made

Estimated Information

Energex has provided actual information, in accordance with the AER's definition.

Explanatory Notes

Not applicable