

4 February 2015

Mr Warwick Anderson  
General Manager, Networks Finance and Reporting Branch  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2600

Submitted via: [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au).

Dear Warwick

**Draft Electricity Transmission Network Service Providers Information Guideline (Version 2)**

Grid Australia welcomes the opportunity to provide this submission in response to the AER's Draft Electricity Transmission Network Service Providers (TNSPs) Information Guideline (Version 2) released in December 2014 (AER reference: 53668).

Grid Australia members report to the AER on an annual basis through the provision of annual regulatory financial and other statements (including the Service Target Performance Incentive Scheme), in accordance with the AER's current Electricity Transmission Network Service Providers Information Guideline (published September 2007).

Grid Australia understands that the AER is proposing to remove some reporting requirements from the Information Guideline, that duplicate information which is now gathered by the AER through the issuing of Regulatory Information Notices (RINs). The AER is also proposing to remove some redundant reporting requirements and make a number of consequential amendments.

Grid Australia is supportive of the principle of removing duplicated and redundant reporting requirements and of better aligning the Information Guideline with other reporting requirements under the current regulatory framework. However, Grid Australia seeks further clarification on these changes to provide greater certainty to those who are required to comply with the requirements set out in the Information Guideline.

An overarching concern in making amendments in the draft Information Guideline (Version 2) is that there is a lack of clarity about how the various sets of information (provided under the Information Guideline and via the RINs) complement and/or coordinate with each other. As there is a potential for the information which is collected by the AER under RINs to change over time, Grid Australia seeks further clarification on the practical effect of the general obligation under the proposed clause 4.17.

While it is recognised the rationalisation of information requirements is a process, and TNSPs are keen to be part of this process, the uncertainty about information requirements has the potential to impose undue responsibility and increased operating costs on TNSPs to determine what information the AER considers to be captured within a RIN and, therefore, what is not required to be completed in their annual regulatory financial and other statements.

Grid Australia also has concerns with a lack of consistency in the removal of requirements from the associated financial templates. For example, while the revenue analysis worksheet in the financial templates has been identified in the draft Information Guideline (Version 2) as a duplicated requirement to worksheet 3.1 in the Economic Benchmarking RIN, it has not been removed from the AER's reporting templates. Table 4.1 of the AER's draft Explanatory Statement lists further duplications that have not been removed from Appendix A – Annual reporting templates of the draft Information Guidelines (Version 2). It would provide clarity if the AER could produce two versions of the Annual Reporting Templates under Appendix A of the Information Guideline (Version 2).

As the first review of this document since it was published in 2007, Grid Australia requests an opportunity to seek further clarification of the intent behind some of the more detailed reporting obligations. On this basis, a number of additional issues and questions have been provided for consideration and discussion in the attachment to this letter.

Grid Australia would welcome the opportunity to work with, and provide further comment to, the AER on a revised Information Guideline and associated reporting templates prior to their finalisation in order to ensure a robust reporting framework moving forward.

Please do not hesitate to contact Caroline Taylor on (02) 9284 3715 or [caroline.taylor@transgrid.com.au](mailto:caroline.taylor@transgrid.com.au) if you wish to discuss any matter raised in this submission.

Yours sincerely



Rainer Korte  
**Chairman**  
**Grid Australia Regulatory Managers Group**

## ATTACHMENT: POINTS OF CLARIFICATION

1. Notwithstanding that the AER is required to make amendments to the Information Guideline consistent with the transmission consultation procedures, can the AER clarify when it intends the proposed Information Guideline (Version 2) to come into effect, including the first reporting period to which it would apply?
2. It would provide clarity if the AER could produce two versions of the Annual Reporting Templates under Appendix A of the Information Guideline – with one for those entities that are required to submit information under annual RINs (being the five principal TNSPs of the NEM) and an addendum or second appendix for the two entities that are not required to submit annual RINs.
3. Can the AER clarify which regulatory adjustment journals will be required, given that under Version 2 of the Information Guideline TNSPs are not required to prepare a regulatory balance sheet?
4. Note that the AER's proposed removal of wording in clause 2.6 of the draft Information Guideline (Version 2) makes it less clear on what the AER requires.
5. Clause 2.14 of the draft Information Guideline (Version 2) proposes changes to the verification and declaration process which require the 'officer' to verify not only that the information has been prepared in accordance with the Information Guideline, but to assert that the regulatory accounts are true and accurate.
6. It is proposed that TNSPs should be able to retain the current requirement for a Director's responsibility statement if they choose to and that the additional requirement that TNSPs make a declaration to the effect that their regulatory accounts are true and accurate not be adopted. While the distribution regulatory accounts and the economic benchmarking RINs are verified with statutory declaration, the requirement to verify this information with a statutory declaration can be considered overly onerous on the 'officer' making the declaration given that other regulators, including the Australian Securities and Investment Commission, do not have this requirement for corporations submitting annual regulatory financial statements.
7. Can the AER clarify the intent of the demand forecast information expected under clause 3.3 of the Information Guideline? For example, what is the level of aggregation (is it by network or bulk supply point) and is this information potentially captured by other reporting requirements or other publicly available documents such as the Annual Planning Report?