

31 March 2023

Dr Kris Funston
Executive General Manager, Network Regulation
Australian Energy Regulator
GPO Box 3131
Canberra, ACT, 2601

Lodged via email to networksinformation@aer.gov.au

Dear Kris,

AER's preliminary Annual Information Orders

Jemena Electricity Networks (**JEN**) welcomes the opportunity to respond to the Australian Energy Regulator's (**AER**) preliminary Annual Information Order (**the Order**) as part of the AER's ongoing network information requirements review (**the review**). We support the AER's engagement and consultation on this review. Refining and consolidating the information that distribution network service providers (**DNSPs**) provide will ensure that stakeholders have access to relevant network information, improve regulatory efficiency and deliver long-term benefits to customers.

Overall, we support the AER's aim to streamline information collection. In earlier consultation on the Order, the AER highlighted its preference to minimise the amount of non-data reporting requirements, such as basis of preparation and compliance documents, accounting policies, and cost allocation methodologies. However, the preliminary Order retains most of these non-data reporting requirements, and in some instances, the non-data compliance reporting has increased (for example, section 4 – supporting information requirements). This level of regulatory reporting is not consistent with the review's objectives of streamlining data collection.

Throughout the review consultation to date, the AER has provided information relating to the use case of existing regulatory reporting requirements. This has been useful in determining how the AER and other stakeholders use the regulatory data we submit annually. However, use case information for several new data requirements has not been provided. As highlighted in our initial submission, data requirements should have a clear purpose to ensure that our customers derive value from these reporting processes.

Finally, the AER has outlined that the Order will first apply for the 2023-24 regulatory reporting year. However, the explanatory statement outlines that a draft Order will be issued in June 2023 and a final Order will be issued in September 2023. Given the Order will not be finalised until three months into the 2023-24 reporting year, the Order will effectively apply retrospectively. Therefore, we may be unable to submit all of the information required, particularly for new data or any changes that occur between June and September 2023. Alternatively, data for the first year of reporting may need to be estimated. Any data that requires significant system and process changes will be first provided in the 2024-25 reporting year at the earliest.

Appendix A below provides a detailed review of the distribution data requirements workbooks for the AER's consideration. We look forward to engaging with the AER and other stakeholders on the review over the coming months. If you have any questions regarding this submission, please contact me on [REDACTED] or [REDACTED]

Kind regards,

[REDACTED]
Matthew Serpell
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Appendix A

Below we outline general comments that apply to all or several distribution data requirements workbooks:

- We recommend reviewing the formatting of each workbook to ensure that data is consistent within and across different worksheets. In many templates, we observed some data inputs have a custom currency format, while the same or similar data in the rows below has a general format. (See *06 Operating expenditure – Standard control – Overheads expenditure* for an example).
- Many data inputs do not fit within the column width or row depth provided in the workbooks. (See *06 Operating expenditure – Standard control – Indirect overheads expenditure* for an example). We recommend ensuring that each data table has sufficient column width and row depth for users to input, observe and validate data correctly.
- As noted in our March 2022 submission, we recommend ‘freezing panes’ on each workbook to ensure that workbook titles, data legends and table headings remain visible when users scroll down towards the bottom of the workbook.
- As noted in our March 2022 submission, we recommend numbering each worksheet in each workbook for ease of user reference and navigation. For example, *02 Operational outputs – 1. Energy delivered by cost-reflective tariff; 2. Energy delivered by non-cost-reflective tariff; 3. Energy delivered by time* etc. Having numerical references will make the data collection process more efficient and easier to manage.
- We support the AER’s preferred approach to exempt several data requirements from audit and assurance, as detailed on pages 20 and 21 of the preliminary Order.¹

¹ AER, *Preliminary Annual Order – Electricity distributors*, January 2023, pp. 20-21.

Table 1 below provides a detailed response to the AER's distribution data requirements workbooks, including links to the current Regulatory Information Notices (RINs).

Table 1 – Review of the AER's distribution data requirements workbooks

Issue number	Worksheet	Data requirement	Current RIN reference (if applicable)	Cell reference (if applicable)	Comments
Workbook 2 – Operational outputs					
1	Energy delivered by CR tariff and Energy delivered by NCR tariff	Tariff name and tariff code	Replaces AR RIN table P1	Entire worksheets	The AER's current RIN reference for these data requirements is Annual Reporting (AR) RIN table P1. However, the existing RIN requirement did not previously request customer energy usage data in MWh (only NMI count). Therefore, we consider all the data on these two worksheets to be new reporting requirements. We request that the AER updates these spreadsheets accordingly.
2	Demand	Maximum demand characteristics	CA RIN 5.3.1	H24	The data validation input for this cell contains a #REF! error. We request that the AER updates the data validation input to allow for 'summer' or 'winter' to be entered into the 'summer or winter peaking classification' cell.
3	Other outputs	Metering activities	N/A	J62	Type 5 meters have been included in the 'remote meter reading' category. Type 5 meters are legacy meters that do not have remote meter reading capability. Therefore, we do not perform remote meter reads for this type of meter and we will report a NULL response for this activity.
4	Other outputs	Metering activities	CA RIN 4.2.2	J67 to J70	The current RIN reference for this data requirement is Category Analysis (CA) RIN 4.2.2. However, in the current CA RIN, only expenditure is required for 'other metering services' and the volumes for these categories are greyed out. Further, these activities are mainly back-office support and audit functions. Therefore, it is not meaningful to report volumes for these activities and we recommend these cells are also greyed out or removed.

Issue number	Worksheet	Data requirement	Current RIN reference (if applicable)	Cell reference (if applicable)	Comments
5	Other outputs	Asset replacement and maintenance activities	CA RIN 2.8.1	I159 to J159 and I166 to J166	This section requires the number of assets maintained and inspected to be reported each year by various asset groups. Two of these asset groups are 'staking wooden poles' and 'staked pole replaced with a new pole'. It is not clear how maintenance and inspection volumes should be reported for these two asset groups. The definitions tab only provides basic definitions for these two asset groups but no further reporting guidance. We consider the best approach is to have one asset group for 'staked wooden poles'. DNSPs would then report how many staked wooden poles were maintained and inspected in each regulatory year.
Workbook 03 – Network metrics					
6	Asset metrics	Inspection and maintenance cycles	CA RIN 2.8.1	J29 to K44	The asset groups in this section have been aggregated and no longer align with the assets previously listed in CA RIN 2.8.1. As a result, we consider that the updated template cannot be completed meaningfully. For example, JEN's zone substation transformers have a four-year maintenance cycle, whereas its distribution transformers have a six-year maintenance cycle. In this instance, it is not clear how we should input data for 'transformers' in row 35 of the template. The same issue also applies to other asset groups, including switchgear, public lighting and SCADA. Therefore, we request that this requirement is either removed or amended to match the requirements and structure of the existing CA RIN.
7	Terrain	Terrain factors	EB RIN 3.7.2	I9 to I10 and I15 to I16	This worksheet requires the 'average number of defects per maintenance span' and the 'average number of trees per maintenance span' for both urban and CBD, and rural areas. The current RIN reference for these data requirements is Economic Benchmarking (EB) RIN 3.7.2. However, the existing EB RIN requirement is the 'average number of defects per vegetation maintenance span' and the 'average number of trees per

Issue number	Worksheet	Data requirement	Current RIN reference (if applicable)	Cell reference (if applicable)	Comments
					vegetation maintenance span'. We request that the AER updates these row titles to reflect the existing RIN reporting requirement.
8	Safety	Safety incidents	N/A	Entire worksheet	We provide safety-related information to our jurisdictional safety regulator, Energy Safe Victoria (ESV), and we consider that ESV is best suited to collect this information. In addition, jurisdictional differences mean that safety-related data is not comparable across DNSPs in different jurisdictions. Given there is no clear use case for this data, we recommend that this worksheet is removed.
Workbook 4 – Customer numbers					
9	Total customers	Customers (distribution services) by NMI status	N/A	I8 to J12	This worksheet requires customer numbers to be reported by 'NMI' or 'no NMI' status. Metered and unmetered and energised and un-energised connection point splits are also required. However, the concepts tab provides contradictory definitions for 'NMI' or 'no NMI' status. 'NMI' is defined as a national metering identifier used to identify a connection point, whereas 'no NMI' is defined as a connection point on a distribution network that does not have a NMI assigned. By definition, all connection points on our distribution network will have NMIs assigned, and all our customers have NMIs. Absent a clear definition of 'non-NMI', we consider that this column is superfluous and recommend that it is removed.
Workbook 05 – Service performance					
10	Other service measures	Instances where GSL not met – indicative data	AR RIN 6.9.1	E62 to H73	This section requires DNSPs to provide indicative GSL data at an early submission date to support the AER's retail reporting obligations. We note that this reporting is only required in jurisdictions that adopt the National Energy Customer Framework (NECF). To promote efficiency, we propose qualifying that this information is only required in jurisdictions where the AER has GSL reporting obligations. We note that other jurisdictional reporting

Issue number	Worksheet	Data requirement	Current RIN reference (if applicable)	Cell reference (if applicable)	Comments
					differences are captured in both the current RIN requirements and other Order workbooks.
11	Other service measures	Export services	N/A	H143 to H160	<p>As noted in our previous submissions, we cannot provide the number of complaints that JEN has received related to the provision of export services. We currently capture customer complaints based on customer type; that is, data is captured based on whether the complaint was received from a CER or non-CER customer rather than capturing the root cause of the complaint. In every instance, we cannot determine if a customer complaint relating to overvoltage was caused by a CER device, the device of a neighbouring customer or another non-CER-related network issue.</p> <p>To determine the reason for the complaint, we would need to take customers' CER devices off supply—including other customers close to the customer raising the complaint—and isolate them one by one to assess the network condition with and without the devices operating. In some cases, the neighbouring customers' CER devices could be causing the problem, and we may not be able to locate that device, let alone agree to take it off supply. This would be time-consuming, expensive and impractical for our customers. Therefore, we request that this section is removed from the template. Alternatively, we will report NULL entries for this data.</p>
12	Other service measures	Export services	N/A	H165 to 167	<p>This section requires the number of customers receiving overvoltage in a regulatory reporting year, split by customer type (i.e., residential, non-residential LV, non-residential HV). We can provide actual data at a total level for this section, but the customer type split is a pro-rated estimate based on the proportion of our customers that fall into each category. Therefore, the information provided in these cells will be listed as 'estimate' data.</p>

Issue number	Worksheet	Data requirement	Current RIN reference (if applicable)	Cell reference (if applicable)	Comments
13	Customers receiving overvoltage	N/A	N/A	E162 to H230	This section requires customer numbers for a range of metrics, i.e., customers receiving overvoltage and requesting export capacity, split by customer type (i.e., residential, and non-residential LV and HV). We can provide total actual customer data for this section, but the customer type split is a pro-rated estimate based on the proportion of customers that fall into each category. Therefore, the information provided in these cells will be listed as 'estimate' data.
Workbook 06 – Operating expenditure					
14	Standard control	Opex by purpose	N/A	L22	All costs associated with explicitly increasing the export service hosting capacity of our network are capital in nature. Therefore, we will not report any opex costs for the provision of export services.
15	Standard control	Non-network	AR RIN (new historical) 2.6.4	I80 to I87	<p>The current RIN reference for this data is AR RIN (new historical) 2.6.4, where this table reports capex but not opex. However, the correct RIN reference is CA RIN 2.6.1, where recurrent and non-recurrent ICT opex are reported. We request that the AER updates this RIN reference accordingly.</p> <p>Currently, CA RIN 2.6.1 does not split recurrent and non-recurrent ICT opex into more granular categories. Rather, this breakdown is provided for ICT capex in AR RIN (new historical) 2.6.4. We recommend that this non-network ICT table is adjusted to have three rows: device expenditure, recurrent expenditure and non-recurrent expenditure, consistent with the current CA RIN 2.6.1 requirements.</p>
16	Standard control	Benchmarking categories opex breakdown 1	EB RIN 3.2.1	H111 to H113	These data requirements are linked to the data provided in cells H7 to H9 of this worksheet. This section is unnecessarily duplicated and therefore we recommend removing it.

Issue number	Worksheet	Data requirement	Current RIN reference (if applicable)	Cell reference (if applicable)	Comments
17	Alternative control	Opex category	AR RIN 8.4.1	J9 to J16	The 'total' public lighting column for this data represents the sum of the energy-efficient and non-energy-efficient columns. However, the 'total' column does not include this formula or the calculation formatting. We recommend adjusting these cells accordingly.
18	Alternative control	Opex by purpose	CA RIN 2.1.4	J21 to Q23	JEN also reports non-network and maintenance line items in CA RIN 2.1.4 – ACS opex, but these two categories have been excluded in this section of the template. We request that non-network and maintenance line items are included in this section.
19	New data collections	RIT project expenditure	N/A	E6 to H18	All RIT expenditure is capitalised and therefore JEN will report NULL entries for the data in this section.
20	New data collections	Opex for provision of export services	N/A	H22 to I23	Instances of overvoltage are necessarily a function of both the import and export services we provide. Therefore, we do not consider opex for overvoltage complaint management should be solely associated with the provision of export services.
Workbook 08 – Asset base values					
21	Standard control	Meters	EB RIN 3.3.2	H104 to H110	The 'meters' section should be removed from the 'standard control' sheet, as these assets will only relate to alternative control services in all jurisdictions.
22	Network services	Meters	EB RIN 3.3.2	H87 to H93	Like issue 21 above, the 'meters' section should be removed from the 'network services' sheet, as these assets will only relate to alternative control services in all jurisdictions.

Issue number	Worksheet	Data requirement	Current RIN reference (if applicable)	Cell reference (if applicable)	Comments
Workbook 09 – Revenue and financial statements					
23	Alternative control	Income statement	AR RIN 8.1.1	N7 to O14	This section mirrors the income statement currently provided in AR RIN 8.1.1. However, the metering services column is now split into two columns – smart meters and legacy meters. Like issue 10, we consider this new requirement is targeted at non-Victorian DNSPs that are transitioning to smart meters. On this basis, we will continue to report data in the 'total' column in column M of this template, consistent with the current RIN reporting requirements.
24	Other services	Unregulated revenue earned with shared assets	Reset RIN 7.4.1	L29 to L31	This information is not currently captured in the existing annual RIN reporting process and is also not defined in the AER's Order. However, it is required in JEN's reset RIN that is submitted as part of electricity distribution price resets (EDPRs). We request that the AER define 'unregulated revenue earned with shared assets' in the definitions and/or concepts tab of this workbook and align the definition to the AER's November 2013 shared asset guideline. ²
25	Total expenditure	Replacement expenditure	CA RIN 2.12	K135 to K140	The public lighting data requested in this section is listed in the standard control services column. However, it should be listed in the alternative control services column.

² AER, *Better regulation – Shared asset guideline*, November 2013.