

14 April 2023

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

Sent via email: networksinformation@aer.gov.au

Dear Dr Funston,

Network Information Requirements Review – Preliminary Annual Information Order

SA Power Networks welcomes the opportunity to comment on the Australian Energy Regulator's (AER's) Network Information Requirements Review Preliminary Annual Information Orders, released for consultation on 25 January 2023.

We strongly support the AER's review of information requirements, which should seek to balance the data benefits with the reporting burden for network service providers. SA Power Networks allocates significant resources to the preparation of Regulatory Information Notice (RIN) data each year, with over 70 employees engaged in the preparation, collation, and verification of data for the 2021/22 RIN submission.

SA Power Networks supports the move to Regulatory Information Orders (RIOs) for collection of regulatory information, providing greater consistency in information reported across the National Electricity Market (NEM). Specific feedback on the Preliminary Annual Order is provided in an attachment to this letter.

If you have any queries or require further information in relation to our submission, please contact

[REDACTED]

Yours sincerely

[REDACTED]

Patrick Makinson
EXECUTIVE GENERAL MANAGER GOVERNANCE AND REGULATION
GPO Box 77, ADELAIDE SA 5001

Appendix A: Preliminary Annual Order – Electricity Distributors

Commencement Date

We note the AER is scheduled to issue the Draft RIO for consultation in June 2023, with the Final RIO expected to be issued in September 2023. The AER proposes Distribution Network Service Providers (DNSPs) would commence reporting under the new RIO from 1 July 2023, which is up to 3 months prior to the publication of the final RIO instrument. SA Power Networks recommends delaying the commencement date until 1 July 2024, which will provide DNSPs with sufficient time to ensure that internal reporting systems and processes are in place prior to commencement of the new reporting requirements. Delaying until 1 July 2024 will also align with the natural expiry of the current RINs.

Annual Response Timing

We would also like to request the AER's consideration to extend the response date for information required under section 3, 4, 5 or 6 from 31 October to 30 November. This will provide additional time to prepare the data and complete an independent review of data prior to submission. Timing is becoming more challenging as additional data requirements are added.

Extending the response date to 30 November would also eliminate the need for SA Power Networks to resubmit revenue and consumption data as part of our Annual Pricing Proposal process. The extended timeframe will provide adequate time for SA Power Networks to complete our annual sales reconciliation and audit of the data prior to submission to the AER, eliminating the need to resubmit this data to ensure it aligns with our Annual Pricing Proposal.

New Data Requirements

The preliminary RIOs include new data and information requirements within the proposed templates, with some of these still under development at the time of publication of the preliminary RIOs. For example, the new reporting obligations for export services were considered as part of the AER's consultation on its approach to incentivising and measuring export service performance. The final report was issued on 10 March, which detailed new data collection requirements related to export service performance. We expect these requirements will be incorporated into the draft RIOs when released in June 2023.

The preliminary RIOs also include new data and information requirements for safety incidents to support performance reporting analysis. We note that safety regulation is the responsibility of local safety/technical jurisdictional regulators. In South Australia, the Office of the Technical Regulator (OTR) monitors and regulates the safety and technical standards for electrical installations, as well as electricity network infrastructure. Safety incidents are already reported to the OTR on a quarterly basis. During consultation the AER has indicated its intention in reporting this information is to standardise the data standards between jurisdictions. The AER's use case for this safety data remains unclear.



Policies and Procedures

Section 4.2 of the preliminary RIO provides that the DNSP must list and describe all internal plans, policies, procedures and strategies that are used by it to plan and conduct its day-to-day operations and that have been relied upon in the development of its annual response to the Order. The description must record the version number and/or date from which the plan, policy, procedure or strategy has applied and, if the document has previously been provided to the AER, the date on which it was provided. We must also report changes from year to year, including the reason for change and the impact of the change on information being reported.

This requirement is much broader than the current requirements under the RIN, which is generally limited to regulatory accounting principles and policies, the capitalisation policy and a statement of policy for determining the allocation of overheads in accordance with the approved cost allocation method.

SA Power Networks does not support increasing non-data reporting within the annual information requirements, noting a lot of this data is available to the AER through other mechanisms and does not change frequently. Reduction in non-data requirements will reduce the annual administrative burden for network service providers in preparing data for submission.

Audit and Assurance Requirements

SA Power Networks acknowledges the need to continue to provide independent assurance over network information where this information is relied upon for performance reporting and regulatory decision-making purposes. We support the inclusion of some exemptions from audit and review requirements, as provided within section 6.4 of the preliminary RIO.

We note that section 6.2.2 requires electricity distributors to provide all reports from the auditor to its management arising from the audit or review engagements. This is much broader than the current RIN requirement, which limits the provision of reports to those associated with the review conclusion statement and/or audit opinion report or assessment. SA Power Networks supports retaining similar wording to that contained within the current RINs.

