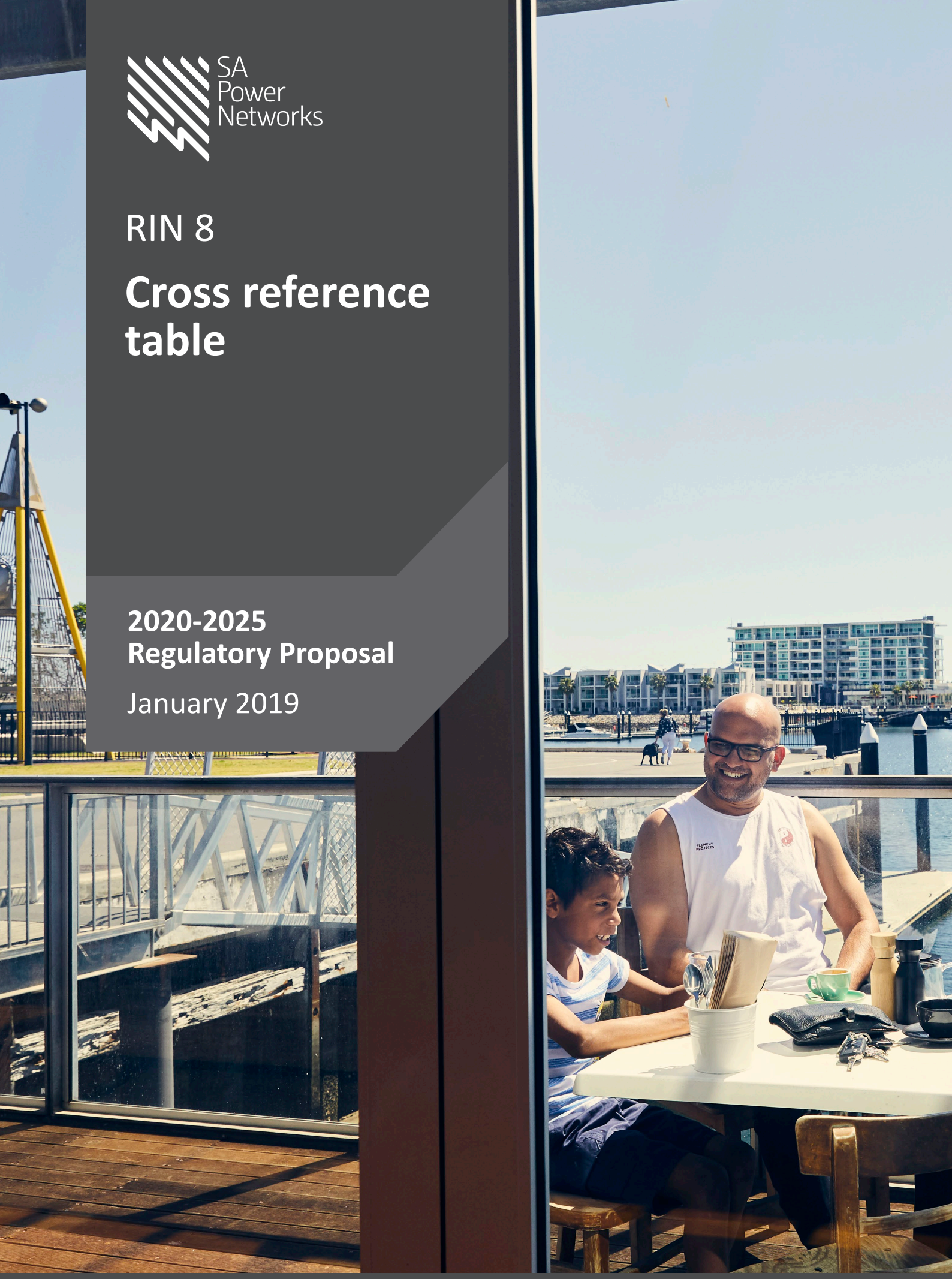
SA Power Networks

# RIN 8

# Cross reference table

## 2020-2025 Regulatory Proposal

January 2019



| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| **1.** | **PROVIDE INFORMATION** | | | | |
| **1.1** | **Provide the information required in each regulatory template in the Microsoft Excel Workbook 1 – Regulatory determination, Workbook 2 – New historical category analysis and Workbook 7 – Indicative Bill Impact, completed in accordance with:** | | | | |
| 1.1 (a) | this notice; | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25<br>RIN 2 - Workbook 2 - New Historical Data 2008-09 to 2017-18<br>RIN 7 - Workbook 7 - Bill Impacts | RIN 9 - Basis of Preparation (BoP)<br>RIN 10 - Deloitte letter of audit<br>18.2 – Director's Certification and CEO Statutory Declaration<br>18.3 - Confidentiality Claim | Noted |
| 1.1 (b) | the instructions in the relevant Microsoft Excel Workbook attached at Appendix A; | | | | |
| 1.1 (c) | the instructions in Appendix E; | | | | |
| 1.1 (d) | the service classifications set out in the framework and approach paper; and | | | | |
| 1.1 (e) | SA Power Networks' cost allocation method. | | | 18.10 - Cost Allocation Method (see link on AER site) | |
| **1.1A** | **A Provide the information required in each regulatory template in the Microsoft Excel Workbook 5 – EBSS, and Workbook 6 – CESS, completed in accordance with:** | | RIN 5 - Workbook 5 – EBSS<br>RIN 6 - Workbook 6 - CESS model | RIN 9 - Basis of Preparation (BoP)<br>RIN 10 - Deloitte letter of audit<br>18.2 – Director's Certification<br>18.3 - Confidentiality Claim | Noted. |
| 1.1A (a) | this notice; | | | | |
| 1.1A (b) | the instructions in the relevant Microsoft Excel Workbook attached at Appendix A; | | | | |
| 1.1A (c) | the instructions in Appendix E; | | | | |
| 1.1A (d) | the service classifications that applied in each regulatory year; and | | | | |
| 1.1A (e) | SA Power Networks' cost allocation method that applied in each regulatory year. | | | 18.10 - Cost Allocation Method (see link on AER site) | |
| **1.2** | **If:** | | | | |
| 1.2 (a) | SA Power Networks' cost allocation method has changed during the current regulatory control period, or | | | | CAM approved in early 2018 to reflect structural changes due to Ring Fencing guideline. |
| 1.2 (b) | SA Power Networks' service classifications have changed from the current regulatory control period, or | Attachment 12 - Classification of services | RIN 3 - Workbook 3 - CA - recast historical<br>RIN 4 - Workbook 4 - EB - recast historical | | Service classifications will change from 1 July 2020. |

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| 1.2 (c) | SA Power Networks proposes to divert from the service classifications set out in the relevant framework and approach paper, or | Attachment 12 - Classification of services | | | Some changes proposed. |
| 1.2 (d) | SA Power Networks proposes to change its cost allocation method for the forthcoming regulatory control period; | | | | SAPN will review and amend its CAM prior to 1 July 2020 to reflect changes to service classifications. |
| | such that there would be material changes to information previously submitted to the AER SA Power Networks must use the regulatory templates in Workbook 3 – Recast category analysis and Workbook 4 – Recast economic benchmarking attached at Appendix A to submit revised historical information | | RIN 3 - Workbook 3 - CA - recast historical<br>RIN 4 - Workbook 4 - EB - recast historical | | SAPN has used the regulatory templates in Workbook 3 – Recast category analysis and Workbook 4 – Recast economic benchmarking |
| **1.3** | **For all information, other than forecast information, provide in accordance with this notice and the instructions in Appendix E, a basis of preparation demonstrating how SA Power Networks has complied with this notice in respect of:** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25<br>RIN 2 - Workbook 2 - New Historical Data 2008-09 to 2017-18<br>RIN 3 - Workbook 3 - CA - recast historical<br>RIN 4 - Workbook 4 - EB - recast historical<br>RIN 5 - Workbook 5 - EBSS<br>RIN 6 - Workbook 6 - CESS model | RIN 9 Basis of Preparation<br>RIN 10 Deloitte letter of Audit<br>18.3 - Confidentiality Claim | Noted. |
| 1.3 (a) | the information in each regulatory template in the Microsoft Excel Workbooks attached at Appendix A; and | | | | |
| 1.3 (b) | the information prepared in accordance with the following requirements in Schedule 1 of this notice: | | | | |
| 1.3 (b) (i) | paragraph 1.2 | | | | |
| 1.3 (b) (ii) | paragraph 5.1(a)(ii) | | | | |
| 1.3 (b) (iii) | paragraph 8.5 | | | | |
| 1.3 (b) (iv) | paragraph 13 (13.5 and 13.6) | | | | |
| 1.3 (b) (v) | paragraph 15 (15.2 and 15.3) | | | | |
| 1.3 (b) (vi) | paragraph 16 (16.2-16.7, 16.10) | | | | |
| **1.4** | **Provide material used for the purposes of preparing the regulatory proposal including:** | | | | |
| 1.4 (a) | all consultants' reports commissioned and relied upon in whole or in part; | Attachment 18 - List of Proposal documentation | | Various Attachments & Supporting Documentation listed in Attachment 18 - List of Proposal documentation, including those referred to in Attachment 5 - Capital expenditure and Attachment 6 - Operating expenditure. | |
| 1.4 (b) | all material assumptions relied upon; | | | 18.2 - Director's Certification and CEO Statutory Declaration | |
| 1.4 (c) | a table that references each response to a paragraph in this Schedule 1 and where it is provided in or as part of the regulatory proposal; | | | RIN 8 - Cross reference table (this document) | |

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| 1.4 (d) | a table that references each document provided in or as part of the regulatory proposal and its relationship to other documents provided; and | Attachment 18 - List of Proposal documentation | | | |
| 1.4 (e) | each document identified in paragraph 1.4(d) must be given a meaningful filename in the form:<br>SA Power Networks – [Author] – [title] – [date] – [public/confidential], where:<br>(i) Author is the author of the file if not SA Power Networks for example a consultant or other third party;<br>(ii) Title provides a meaningful description of the content of document, with limited reliance on acronyms or cross references, for example "Appendix 1A" is not meaningful, but "Appendix 1A – Cost allocation method" is;<br>(iii) Date is a relevant date associated with the file, generally the date the document was created;<br>(iv) Public/confidential identifies if the file in its entirety can be published (public); or if it contains any information which is the subject of a claim for confidentiality in accordance with paragraph 34 of this notice (confidential). | Attachment 18 - List of Proposal documentation | | | Noted. |
| **1.5** | **Provide for each material assumption identified in the response to paragraph 1.4(b):** | | | | |
| 1.5 (a) | its source or basis; | Attachments 1 to 17. | | 18.2 - Director's Certification and CEO Statutory Declaration<br>RIN 9 - Basis of Preparation (BoP) | Attachments 1-17 outline any material assumptions and their use. |
| 1.5 (b) | if applicable, its quantum; | | | | |
| 1.5 (c ) | whether and how the assumption has been applied and was taken into account; and | | | | |
| 1.5 (d) | the effect or impact of the assumption on the capital and operating expenditure forecasts in the forthcoming regulatory control period taking into account: | | | | |
| 1.5 (d) i | the actual expenditure incurred during the current regulatory control period; and | | | | |
| 1.5 (d) ii | the sensitivity of the forecast expenditure to the assumption | | | 18.2 - Director's Certification and CEO Statutory Declaration | |
| **1.6** | **Provide reconciliation of the capital and operating expenditure forecasts provided in the regulatory templates to the proposed capital and operating allowances in the post-tax revenue model for the forthcoming regulatory control period.** | | | 1.1 - PTRM Model | This reconciliation has been performed in the PTRM. |
| **1.7** | **Where the regulatory proposal varies or departs from the application of any component or parameter of the capital efficiency sharing scheme, efficiency benefit sharing scheme, demand management incentive scheme or service target performance incentive scheme as set out in the framework and approach paper, for each variation or departure explain:** | | | | |

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| 1.7 (a) | the reasons for the variation or departure, including why it is appropriate; | Attachment 8 - Efficiency benefit sharing scheme<br>Attachment 9 - Capital expenditure sharing scheme<br>Attachment 10 - Service target performance incentive scheme | RIN 5 - Workbook 5 – EBSS<br>RIN 6 - Workbook 6 - CESS model | RIN 9 - Basis of Preparation (BoP)<br>10.1 – STPIS target calculations | No departures from the underlying methods have been proposed. |
| 1.7 (b) | how the variation or departure aligns with the objectives of the relevant scheme; and | | | | |
| 1.7 (c) | how the proposed variation or departure will impact the operation of the relevant scheme. | | | | |
| **2.** | **CLASSIFICATION OF SERVICES** | | | | |
| **2.1** | **Identify each proposed service classification in the regulatory proposal which departs from a service classification set out in the framework and approach paper and explain:** | | | | |
| 2.1 (a) | the reasons for the departure, including why the proposed service classification is more appropriate; and | Attachment 12 - Classification of services | | | Departure from F&A proposed for classification of standard connections – premises & negotiated connections – premises. However, these positions align with the AER Service Classification Guideline.<br><br>Standard Connections and Negotiated Connections are not proposed to be offered for the 2020-25 RCP. However, should a need arise, these would be priced according to our Connections Policy and subject to AER approval of model standing offers. |
| 2.1 (b) | how service will differ under the proposed service classification in comparison to that in the framework and approach paper. | | | | |
| **2.2** | **If the proposed service classifications in the regulatory proposal depart from any of the service classifications set out in the framework and approach paper:** | | | | |
| 2.2 (a) | provide, in a second set of regulatory templates, all information required in each regulatory template in accordance with the instructions contained therein, modified as necessary, to incorporate the proposed service classifications; and | | | | Departures from F&A are for services for which we do not anticipate providing. Should a need arise, these would be priced according to our Connections Policy and subject to AER approval of model standing offers. Further, the prices would be set out in the Annual Pricing Proposal. |
| 2.2 (b) | identify and explain where the regulatory templates differ. | | | | |
| **3.** | **CONTROL MECHANISMS** | | | | |
| **3.1** | **For the forecast revenues that SA Power Networks proposes to recover from providing direct control services over the forthcoming regulatory control period provide:** | | | | |
| 3.1 (a) | formulaic expressions for the basis of control mechanisms for standard control services and for alternative control services; and | Attachment 1 – Annual revenue requirement and control mechanism<br>Attachment 14 - Alternative control services | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 3.1 (b) | a detailed explanation and justification for each component that makes up the formulaic expression. | Attachment 1 – Annual revenue requirement and control mechanism<br>Attachment 14 - Alternative control services | | | |
| **3.2** | **Also demonstrate:** | | | | |
| 3.2 (a) | how SA Power Networks considers the control mechanisms are compliant with the framework and approach paper; and | Attachment 1 – Annual revenue requirement and control mechanism<br>Attachment 14 - Alternative control services | | | |
| 3.2 (b) | for standard control services, how SA Power Networks considers the control mechanisms are also compliant with clause 6.2.6 and Part C of Chapter 6 of the NER. | Attachment 1 – Annual revenue requirement and control mechanism | | | |
| **EXPENDITURE REPORTING** | | | | | |
| **4.** | **CAPITAL EXPENDITURE** | | | | |
| **General** | | | | | |
| **4.1** | **Provide justification for SA Power Networks' total forecast capex, including the following information:** | | | | |
| 4.1 (a) | why the total forecast capex is required for SA Power Networks to achieve each of the objectives in clause 6.5.7(a) of the NER; | Attachment 5 - Capital expenditure | | | |
| 4.1 (b) | how SA Power Networks' total forecast capex reasonably reflects each of the criteria in clause 6.5.7(c) of the NER; | Attachment 5 - Capital expenditure | | 5.2 - SAPN Capital governance procedures | Forecasting Methodology – supplied to the AER in June 2018. |
| 4.1 (c) | how SA Power Networks' total forecast capex accounts for the factors in clause 6.5.7(e) of the NER; | Overview<br>Customer and stakeholder engagement report<br>Attachment 5 - Capital expenditure | | | |
| 4.1 (d) | an explanation of how the plans, policies, procedures and regulatory obligations or requirements identified in Workbook 1 – Regulatory determination, regulatory | Attachment 5 - Capital expenditure | RIN 1 - Workbook 1 - Regulatory determination | 5.2 - SAPN Capital governance procedures | Forecasting Methodology – supplied to the AER in June 2018. |

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| | templates 7.1 and 7.3 have been used to develop forecast capex; and | | template 2020-21 to 2024-25 | | |
| 4.1 (e) | an explanation of how each response provided to paragraph 4.1 (a) to (d) is reflected in any increase or decrease in expenditures or volumes, particularly between the current and forthcoming regulatory control periods, provided in Workbook 1 – Regulatory determination, regulatory templates 2.1 to 2.11. | Attachment 5 - Capital expenditure | | | |
| **4.2** | **Provide the model(s) and methodology SA Power Networks used to develop its total forecast capex, including:** | | | | |
| 4.2 (a) | A description of how SA Power Networks prepared the forecast capex, including: | Attachment 5 - Capital expenditure | | 5.1 - Capex SEM model<br>5.2 - SAPN Capital governance procedures | Forecasting Methodology – supplied to the AER in June 2018. |
| 4.2 (a) i | how its preparation differed or related to budgetary, planning and governance processes used in the normal operation of SA Power Networks' business; | Attachment 5 - Capital expenditure | | 5.2 - SAPN Capital governance procedures | Forecasting Methodology – supplied to the AER in June 2018. |
| 4.2 (a) ii | the processes for ensuring amounts are free of error and other quality assurance steps; and | Attachment 5 - Capital expenditure | | 5.1 - Capex SEM model | |
| 4.2 (a) iii | if and how SA Power Networks considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers. | Overview<br>Customer and stakeholder engagement report<br>Attachment 5 - Capital expenditure<br>Attachment 17 - Tariff Structure Statement | | | |
| 4.2 (b) | any source material used (including models, documentation or any other items containing quantitative data); and | Attachment 5 - Capital expenditure | | 5.1 - Capex SEM model<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.9 - Repex Overview<br>5.14 - Bushfire mitigation program CBA methodology<br>5.15 - Bushfire CBA model<br>5.18 - LV Management Business Case<br>5.25 - Reliability and Resilience Performance Management Strategy<br>5.29 - Hardening the Network Regulatory Model<br>and other relevant Supporting Documentation referenced from Attachment 5 - Capital expenditure. | ACIL Allen forecasting tool available on request.<br>CBRM models are available on request. |
| 4.2 (c) | calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the regulatory templates in Workbook 1 – Regulatory determination. | Attachment 5 - Capital expenditure | | 5.1 - Capex SEM model<br>Relevant Supporting Documentation referenced from Attachment 5 - Capital expenditure. | Business cases and other Supporting Documentation generally prepared by Business Areas are in 2017 dollar terms and adjusted to 2020 dollar terms within the Regulatory Proposal. |

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| **4.3** | **Identify which items of SA Power Networks' forecast capex are:** | | | | |
| 4.3 (a) | derived directly from competitive tender processes; | | | 5.8 - Powerline Asset Management Plan (PAMP) | |
| 4.3 (b) | based upon competitive tender processes for similar projects; | | | 5.8 - Powerline Asset Management Plan (PAMP)<br>5.34 - IT Asset Management Plan 2019-2023 | **Non-network IT and Operational IT** costs are derived from a combination of approaches including estimates derived from suppliers (usually multiple), benchmarks and actual ground up estimates based on historical costs of similar changes. |
| 4.3 (c) | based upon estimates obtained from contractors or manufacturers; | | | 5.30 - Strategic Fleet Plan 2020-2025<br>5.31 - Property Management Capital Expenditure 2020-25<br>5.32 - IT Investment Plan 2020-25<br>5.34 - IT Asset Management Plan 2019-2023 | **Non-network IT and Operational IT** costs are derived from a combination of approaches including estimates derived from suppliers (usually multiple), benchmarks and actual ground up estimates based on historical costs of similar changes.<br><br>**Fleet** obtain competitive quotes from vehicle suppliers. |
| 4.3 (d) | based upon independent benchmarks; | | | 5.32 - IT Investment Plan 2020-25 | **IT Business Case** costs are derived from a combination of approaches including estimates derived from suppliers (usually multiple), benchmarks and actual ground up estimates based on historical costs of similar changes.<br><br>**Property** costs are based on independent quantity surveyor forecasts. |
| 4.3 (e) | based upon actual historical costs for similar projects; and | Attachment 5 - Capital expenditure | | | Forecasting Methodology – supplied to the AER in June 2018.<br><br>Any Business Case costs are derived from competitive tender process.<br>**IT Business Case** costs are derived from a combination of approaches including estimates derived from suppliers (usually multiple), benchmarks and actual ground up estimates based on historical costs of similar changes. |
| 4.3 (f) | reflective of any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable and prudent. | | | | Forecasting Methodology – supplied to the AER in June 2018.<br><br>Repex, augex and connection costs are based on historical unit costs. |
| **4.4** | **Provide all documents which were materially relied upon and relate to the deliverability of forecast capex and explain the proposed deliverability.** | Attachment 5 - Capital expenditure<br>(section 5.17) | | | We are not anticipating any changes to our current deliverability plans as the 2020-2025 RCP forecast is similar to current period expenditure. |
| | **Capex categories** | | | | |
| **4.5** | **Describe each capex category and expenditures comprising these categories identified in the regulatory templates, including:** | | | | |

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| 4.5 (a) | key drivers for expenditure; | Attachment 5 - Capital expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 | | |
| 4.5 (b) | an explanation of how expenditure is distinguished between: | | | | |
| 4.5 (b) i. | greenfield driven and reinforcement driven augmentation capex; | Attachment 5 - Capital expenditure (section 5.13)<br>Attachment 16 - Connection Policy | | 5.10 - Distribution System Planning Report | |
| 4.5 (b) ii. | connections expenditure and augmentation capex; | Attachment 5 - Capital expenditure (section 5.14)<br>Attachment 16 - Connection policy | | 5.1 - Capex SEM model<br>5.12 - BIS Oxford Economics - Gross Customer Connections Expenditure Forecasts to 2025/26 | |
| 4.5 (b) iii. | replacement capex driven by condition and asset replacements driven by other drivers (e.g. the need for greenfield or reinforcement driven augmentation capex); and | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 | | |
| 4.5 (b) iv. | any other capex category or opex category where SA Power Networks considers that there is reasonable scope for ambiguity in categorisation. | Attachment 5 - Capital expenditure (section 5.16.2) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 | | |
| **5.** | **REPLACEMENT CAPITAL EXPENDITURE MODELLING** | | | | |
| **5.1** | **In relation to information provided in Workbook 1 – Regulatory determination, regulatory template 2.2 and with respect to the AER's repex model, provide:** | | | | |
| 5.1 (a) | For individual asset categories in each asset group set out in the regulatory templates, provide in a separate document: | Attachment 5 - Capital expenditure (section 5.13) | | | The repex model is available on request. Supporting Document 5.9 explains our forecasting methodology in detail. |
| 5.1 (a) i. | a description of the asset category, including: | | | | |
| 5.1 (a) i. (A) | the assets included and any boundary issues (i.e. with other asset categories); | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.8 - Powerline Asset Management Plan (PAMP) | |
| 5.1 (a) i. (B) | an explanation of how these matters have been accounted for in determining quantities in the age profile; | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.9 - Repex Overview | |
| 5.1 (a) i. (C) | an explanation of the main drivers for replacement (e.g. condition); and | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.9 - Repex Overview | |

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| 5.1 (a) i. (D) | an explanation of whether the replacement unit cost provides for a complete replacement of the asset, or some other activity, including an extension of the asset's life (e.g. pole staking) and whether the costs of this extension or other activity are capitalised or not. | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.9 - Repex Overview | |
| 5.1 (a) ii. | an estimate of the proportion of assets replaced for each year of the *current regulatory control period*, due to: | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.9 - Repex Overview | |
| 5.1 (a) ii. (A) | aging of existing assets (e.g. condition, obsolesce, etc.) that should be largely captured by this form of replacement modelling; | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.9 - Repex Overview | |
| 5.1 (a) ii. (B) | replacements due to other factors (and a description of those factors); | Attachment 5 - Capital expenditure (section 5.13) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.9 - Repex Overview | |
| 5.1 (a) ii. (C) | additional assets due to the augmentation, extension, development of the network; and | Attachment 5 - Capital expenditure (sections 5.14 and 5.15) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.10 - Distribution System Planning Report<br>5.11 - Connections Management Plan 2020 to 2025 | |
| 5.1 (a) ii. (D) | additional assets due to other factors (and a description of those factors). | Attachment 5 - Capital expenditure (sections 5.14.2 to 6) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.10 - Distribution System Planning Report<br>5.11 - Connections Management Plan 2020 to 2025 | |
| 5.1 (b) | For the previous, current and forthcoming *regulatory control periods*, explain the drivers or factors that have changed network replacement expenditure requirements. Identify and quantify the relative effect of individual matters within the following categories: | Attachment 5 - Capital expenditure (section 5.13) | | | |
| 5.1 (b) i. | rules, codes, license conditions, statutory requirements; | Attachment 5 - Capital expenditure (section 5.13 and 5.14) | RIN 1 (7.3 Obligations) | 5 2 - SAPN Capital governance procedures<br>5.3 - Safety, Reliability, Maintenance and Technical Management Plan (SRMTMP)<br>5.4 - ESCOSA Reliability Standards Review<br>5.9 - Repex Overview | Forecasting Methodology – supplied to the AER in June 2018. |
| 5.1 (b) ii. | internal planning and asset management approaches; | Attachment 5 - Capital expenditure (section 5.13 and 5.14) | RIN 1 (7.1 Policies and Procedures) | 5.2 - SAPN Capital governance procedures<br>5.3 - Safety, Reliability, Maintenance and Technical Management Plan (SRMTMP) | Forecasting Methodology – supplied to the AER in June 2018. |

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| | | | | 5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP) | |
| 5.1 (b) iii. | measurable asset factors that affect the need for expenditure in this category (e.g. age profiles, risk profiles, condition trend, etc.). Identify and quantify individual factors; | Attachment 5 - Capital expenditure (section 5.13 and 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.2 - SAPN Capital governance procedures<br>5.3 - Safety, Reliability, Maintenance and Technical Management Plan (SRMTMP)<br>5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP) | Forecasting Methodology – supplied to the AER in June 2018. |
| 5.1 (b) iv. | the external factors that can be forecast and the outcome measured (e.g. demand growth, customer numbers) that affect the need for expenditure in this category. Identify and quantify individual factors, covering the forecasts and the outcome (external factors to be discussed here do not relate to changing obligations which are covered in which are covered in paragraphs 11.3 and 11.8); | Attachment 5 - Capital expenditure (section 5.13 and 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.2 - SAPN Capital governance procedures<br>5.3 - Safety, Reliability, Maintenance and Technical Management Plan (SRMTMP)<br>5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.10 - Distribution System Planning Report | Forecasting Methodology – supplied to the AER in June 2018. |
| 5.1 (b) v. | technology/solutions to address needs, covering:<br>A) network; and<br>B) non-network | Attachment 5 - Capital expenditure (section 5.16) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.2) | 5.2 - SAPN Capital governance procedures<br>5.3 - Safety, Reliability, Maintenance and Technical Management Plan (SRMTMP)<br>5.7 - Strategic Asset Management Plan (SAMP)<br>5.8 - Powerline Asset Management Plan (PAMP)<br>5.10 - Distribution System Planning Report | Forecasting Methodology – supplied to the AER in June 2018. |
| 5.1 (b) vi. | any other significant matters | Attachment 5 - Capital expenditure | | | |
| 5.1 (b) vii. | Identify and provide information or documentation to justify and support any response to paragraph 5.1(b) (i)-(vi). | Attachment 5 - Capital expenditure | | | All associated supporting documentation. |
| | **The information provided in response to paragraph 5.1(b) above should at least distinguish between the asset categories listed in Workbook 1 – Regulatory determination, regulatory template 2.2.** | | | | Noted. |
| **6.** | **AUGMENTATION CAPITAL EXPENDITURE MODELLING** | | | | |
| **6.1** | **Any instructions in this notice relating to the augex model must be read in conjunction with the augex model guidance document available on the AER's website (http://www.aer.gov.au/networks-pipelines/guidelines-schemes-models- reviews/expenditure-forecast-assessment-guideline/final-decision).** | | | | Noted. |
| **6.2** | **In relation to information provided in Workbook 1 – Regulatory determination, regulatory template 2.4 and with respect to the AER's augex model:** | | | | Workbook 1 – Regulatory determination, regulatory template 2.4 not required by AER.<br>Augex forecast is discussed in Attachment 5 - Capital expenditure (section 5.13). |
| 6.2 (a) | Separately for sub-transmission lines, sub-transmission and zone substations, HV feeders and distribution substations, SA Power Networks must explain how it: | | | | |
| 6.2 (a) i. | Prepared the *maximum demand* data (weather corrected at 50 per cent *probability of exceedance)* provided in the asset status tables 2.4.1 to 2.4.4, including where relevant, explanations of each of: | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 6.2 (a) i. (A) | how this value relates to the *maximum demand* that would be used for normal planning purposes; | | | | |
| 6.2 (a) i. (B) | whether it is based upon a measured value, and if so, where the measurement point is and how abnormal operating conditions are allowed for; | | | | |
| 6.2 (a) i. (C) | whether it is based on estimated (rather than actual measured) demand, and if so, the basis of this estimation process and how it is validated; and | | | | |
| 6.2 (a) i. (D) | the relationship of the values provided to *raw unadjusted maximum demand*; and the relationship of the values provided to the values that could be expected from weather corrected *maximum demand* measures that reflect a 10 per cent *probability of exceedance* year. | | | | |
| 6.2 (a) ii. | Determined the rating data provided in the asset status *regulatory templates* 2.4.1 to 2.4.4, including where relevant: | | | | |
| 6.2 (a) ii (A) | the basis of the calculation of the ratings in that segment, including asset data measured and assumptions made; and | | | | |
| 6.2 (a) ii (B) | the relationship of these ratings with SA Power Networks' approach to operating and planning the network. For example, if alternative ratings are used to determine the *augmentation* timing, these should be defined and explained | | | | |
| 6.2 (a) iii | Determined the growth rate data provided in the asset status tables 2.4.1 to 2.4.4. This should clearly indicate how these rates have been derived from *maximum demand* forecasts or other load forecasts available to SA Power Networks. | | | | |
| 6.2 (b) | In relation to the capex-capacity table 2.4.6, SA Power Networks must explain: | | | | |
| 6.2 (b) i | the types of cost and activities covered. Clearly indicate what non-field analysis and management costs (i.e. direct overheads) are included in the *capex* and what proportion of *capex* these cost types represent; | | | | |
| 6.2 (b) ii | how it determined and allocated actual capex and capacity to each of the segment groups, covering: | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 6.2 (b) ii (A) | the process used, including assumptions, to estimate and allocate expenditure where this has been required; and | | | | |
| 6.2 (b) ii (B) | the relationship of internal financial and/or project recording categories to the segment groups and process used | | | | |
| 6.2 (b) iii | how it determined and allocated estimated/*forecast capex* and capacity to each of the segment groups, covering: | | | | |
| 6.2 (b) iii (A) | the relationship of this process to the current project and program plans; and | | | | |
| 6.2 (b) iii (B) | any other higher-level analysis and assumptions applied. | | | | |
| 6.2 (c) | Describe the projects and programs SA Power Networks has allocated to the unmodelled *augmentation* categories in table 2.4.6, covering: | | | | |
| 6.2 (c) i | the proportion of un-modelled *augmentation capex* due to this project or program type; | | | | |
| 6.2 (c ) ii | the primary drivers of this *capex*, and whether in SA Power Networks' view, there is any secondary relationship to *maximum demand* and/or utilisation of the SA Power Networks network; and | | | | |
| 6.2 (d) | Separately for each network segment that SA Power Networks defined in the model segment data table 2.4.5, whether the outcome of such a project or program, whether intended or not, should be an increase in the capability of the SA Power Networks network to supply customer demand at similar service levels, or the improvement in service levels for a similar customer demand level: | | | | |
| 6.2 (d) i | Describe the *network* segment, including: | | | | |
| 6.2 (d) i (A) | the boundary with other connecting *network* segments; and | | | | |
| 6.2 (d)i (B) | the main reasoning for the individual segment (e.g. as opposed to forming a more aggregate segment). | | | | |
| 6.2 (d) ii | Explain the utilisation threshold statistics provided (i.e. the mean and standard deviation), including: | | | | |
| 6.2 (d) ii (A) | the methodology, data sources and assumptions used to derive the parameters; | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 6.2 (d) ii (B) | the relationship to internal or external planning criteria that define when an *augmentation* is required; | | | | |
| 6.2 (d) ii (C) | the relationship to actual historical utilisation at the time that *augmentations* occurred for that asset category; | | | | |
| 6.2 (d) ii (D) | SA Power Networks' views on the most appropriate probability distribution to simulate the *augmentation* needs of that *network* segment; and | | | | |
| 6.2 (d) ii (E) | the process applied to verify that the parameters are a reasonable estimate of utilisation limit for the *network* segment. | | | | |
| 6.2 (d) (iii) | Regarding the *augmentation* unit cost and capacity factor provided, provide an explanation of each of: | | | | |
| 6.2 (d) (iii)(A) | the methodology, data sources and assumptions used to derive the parameters; | | | | |
| 6.2 (d) (iii)(B) | the relationship of the parameters to actual historical *augmentation* projects, including the capacity added through those projects and the cost of those projects; | | | | |
| 6.2 (d) (iii)(C) | the possibility of double-counting in the estimates, and processes applied to ensure that this is appropriately accounted for (e.g. where an individual project may add capacity to various segments; and | | | | |
| 6.2 (d) (iii)(D) | the process applied to verify that the parameters are a reasonable estimate for the *network* segment. | | | | |
| 6.2 (e) | Explain the factors SA Power Networks considers may result in different *augmentation* requirements for itself as compared to other NEM-based DNSPs. SA Power Networks must account for the degree that different *augmentation* requirements are driven by differences in asset utilisation and *maximum demand* growth. SA Power Networks must also explain all other factors, specific to its network, which would result in different augmentation requirements when compared to a DNSP with similar asset utilisation and maximum demand growth. The explanation must clearly indicate those factors that may impact: | | | | |
| 6.2 (e) i | the maximum achievable utilisation of assets for SA Power Networks; and | | | | |
| 6.2 (e) ii | the likely *augmentation* project and/or cost | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| | **For each significant factor discussed, SA Power Networks must indicate relevant model segments and estimate the impact these factors will have on its *augmentation* levels and associated *capex* compared to other DNSPs.** | | | | |
| **7.** | **CONNECTIONS EXPENDITURE** | | | | |
| **7.1** | **Provide and describe the methodology and assumptions used to prepare the forecasts of *connection* works including:** | | | | |
| 7.1 (a) | Estimation of *connection* unit costs for each *customer* type; and | Attachment 5 - Capital expenditure (section 5.14)<br>Attachment 16 - Connection Policy | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.5) | 5.11 - Connections Management Plan 2020 to 2025<br>5.12 - BIS Oxford Economics - Gross Customer Connections Expenditure Forecasts to 2025/26 | |
| 7.1 (b) | *Connection* volumes for each *customer* type | | | | |
| **7.2** | **SA Power Networks must provide its estimation of *customer contributions* based upon the estimated life and revenue to be recovered from *connection assets*, including:** | | | | |
| 7.2 (a) | the expected life of the *connection;* | Attachment 5 - Capital expenditure<br>Attachment 16 - Connection policy<br>Attachment 17 - Tariff Structure Statement | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.5) | 5.11 - Connections Management Plan 2020 to 2025<br>5.12 - BIS Oxford Economics - Gross Customer Connections Expenditure Forecasts to 2025/26 | |
| 7.2 (b) | the average consumption expected by the *customer* over the life of the *connection*; and | | | | |
| 7.2 (c) | any other factors that influence the expected recovery of the SA Power Networks network use of system charge to *customers.* | | | | |
| **8.** | **NON-NETWORK ALTERNATIVES** | | | | |
| **8.1** | **Identify the policies and strategies and procedures in the response to Workbook 1 – Regulatory determination, regulatory template 7.1 which relate to the selection of efficient non-network solutions.** | Attachment 5 - Capital expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (7.1) | | |
| **8.2** | **Explain the extent to which the provision for efficient non-network alternatives has been considered in the development of the *forecast capex* proposal and the forecast opex proposal.** | Overview<br>Attachment 5 - Capital expenditure<br>Attachment 11 - Demand management incentives and allowances | | 5.10 - Distribution System Planning Report | |
| **8.3** | **Identify each non-network alternative that SA Power Networks has:** | | | | |
| 8.3 (a) | commenced during the current regulatory control period; and | Attachment 5 - Capital expenditure<br>Attachment 11 - Demand management incentives and allowances | | 5.10 - Distribution System Planning Report | |
| 8.3 (b) | selected to commence during, or will continue into, the *forthcoming regulatory control period;* | Attachment 5 - Capital expenditure | | 5.10 - Distribution System Planning Report | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| | | Attachment 11 - Demand management incentives and allowances | | | |
| **8.4** | **For each non-network *alternative* identified in the response to paragraph 8.3, provide a description, including cost and location;** | | | 5.10 - Distribution System Planning Report<br>5.17 - Future Network Strategy<br>5.18 - LV Management Business Case | |
| **8.5** | **Provide, for each year of the *current regulatory control period*, and for the *forthcoming regulatory control period*, details of each payment made, or expected to be made, by SA Power Networks to an Embedded Generator in reflection of any costs avoided by deferring augmentation of:** | | | | |
| 8.5 (a) | SA Power Networks' distribution network; or | | | RIN 11 - Non-network alternatives - payments to Embedded Generator<br>5.10 - Distribution System Planning Report | Distribution System Annual Planning Report (DAPR), refer to SAPN website. |
| 8.5 (b) | the relevant transmission network; | NA | | NA | |
| **9.** | **FORECAST INPUT PRICE CHANGES** | | | | |
| **9.1** | **Provide, in Workbook 1 – Regulatory determination, regulatory template CPI series, the CPI series and index used by SA Power Networks in its forecast capex proposal and also the CPI series and index used by SA Power Networks in its forecast opex proposal.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (CPI series tab) | | |
| **9.2** | **Provide, in Workbook 1 – Regulatory determination, regulatory template 2.14, the capex and opex price changes assumed by SA Power Networks in its forecast capex proposal and the forecast opex proposal. All price changes must be expressed in percentage year on year real terms.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 | | |
| **9.3** | **Provide:** | | | | |
| 9.3 (a) | the model(s) used to derive and apply the materials price changes, including model(s) developed by a third party; | | | 5.1 - Capex SEM model<br>6.8 - Opex SEM Model 2020-25 RCP | CPI escalations only assumed for non-labour costs. |
| 9.3 (b) | in relation to labour escalators, a copy of the current Enterprise Bargaining Agreement or equivalent agreement; and | | | 18.7 - Utilities Management Pty Ltd Enterprise Agreement 2018 | |
| 9.3 (c) | documents supporting or relied upon that explain the change in the price of goods and services purchased by SA Power Networks, including evidence that any materials price forecasting method explains the price of materials previously purchased by SA Power Networks. | | | 6.6 - BIS Oxford Economics - Utilities Construction Wage Forecasts to 2024-25 | |
| **9.4** | **Provide also an explanation of:** | | | | |
| 9.4 (a) | the methodology underlying the calculation of each price change, including: | Attachment 5 - Capital expenditure | RIN 1 - Workbook 1 - Regulatory determination | 5.1 - Capex SEM model | |
| 9.4 (a) i | sources; | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 9.4 (a) ii | data conversions; | Attachment 6 - Operating expenditure | template 2020-21 to 2024-25 (2.14) | 6.6 - BIS Oxford Economics - Utilities Construction Wage Forecasts to 2024-25<br>6.8 - Opex SEM Model 2020-25 RCP | |
| 9.4 (a) iii | the operation of any model(s) provided under paragraph 9.3(a); and | | | | Escalators have been included as an input and flow to the individual cost categories in the associated model. |
| 9.4 (a) iv | the use of any assumptions such as lags or productivity gains. | | | | |
| 9.4 (b) | whether the same price changes have been used in developing both the forecast capex proposal and forecast opex proposal; and | | | | Real contract escalation as forecast – capital only. |
| 9.4 (c) | if the same price changes have not been used in developing both the forecast capex proposal and forecast opex proposal, why it is appropriate for different expenditure escalators to apply. | | | | |
| 9.5 | **If an agreement provided in response to paragraph 9.3(b) is due to expire during the forthcoming regulatory control period, explain the progress and outcomes of any negotiations to date to review and replace the current agreement.** | | | 18.7 - Utilities Management Pty Ltd Enterprise Agreement 2018 | SA Power Networks' current enterprise agreement expires on 31 December 2020 and includes a pay increase which applies for the 2020/2021 financial year. Negotiations for the next enterprise agreement will commence no later than 6 months prior to the expiry date. Internal company planning has already begun in preparation for those negotiations. |
| **10.** | **OPERATING AND MAINTENANCE EXPENDITURE** | | | | |
| **Total forecast operating and maintenance expenditure (opex)** | | | | | |
| **10.1** | **Provide:** | | | | |
| 10.1 (a) | the model(s) and the methodology SA Power Networks used to develop its total forecast opex: | Attachment 6 – Operating expenditure | | Expenditure Forecasting Methodology (submitted to AER June 2018)<br>6.8 - Opex SEM Model 2020-25 RCP | |
| 10.1 (b) | justification for SA Power Networks' total forecast opex, including: | Attachment 6 – Operating expenditure<br>Customer and stakeholder engagement report | | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh Business Case<br>6.2 - IT Applications Refresh Business Case<br>6.3 - Critical Infrastructure Obligations Business Case<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step Change 2020-25 | |
| 10.1 (b) i | why the proposed total forecast opex is required for SA Power Networks to achieve each of the objectives in clause 6.5.6(a) of the NER; | | | | |
| 10.1 (b) ii | how SA Power Networks' total forecast opex reasonably reflects each of the criteria in clause 6.5.6(c) of the NER; and | | | | |
| 10.1 (b) iii | how SA Power Networks' total forecast opex accounts for the factors in clause 6.5.6(e) of the NER | | | | |
| **10.2** | **Provide:** | | | | |
| 10.2 (a) | the quantum of non-recurrent opex for each year of the *forthcoming regulatory control period*; and | Attachment 6 – Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.6 and 2.11) | | |
| 10.2 (b) | an explanation of the driver of each non-recurrent opex. | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| **10.3** | **If SA Power Networks used a revealed cost *Base year* approach to develop its total forecast opex, provide:** | | | | |
| 10.3 (a) | in Microsoft Excel format, reconciliation (including all calculations and formulae) of SA Power Networks' forecast total opex proposal to forecast standard control services opex and dual function assets opex by opex driver in Workbook 1 – Regulatory determination, regulatory template 2.16, tables 2.16.1 and 2.16.3; | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 | | |
| 10.3 (b) | the *Base year* SA Power Networks used; and | Attachment 6 – Operating expenditure | | | |
| 10.3 (c) | explanation and justification for why that *Base year* represents efficient and recurrent costs | | | | |
| **10.4** | **If SA Power Networks does not use a revealed cost *Base year* approach to develop its total forecast, provide:** | | | | Not applicable as a base year approach has been applied. |
| 10.4 (a) | forecast expenditure by opex category in Workbook 1 – Regulatory determination, regulatory template 2.16 for standard control services opex and dual function asset opex in tables 2.16.2 and 2.16.4; | | | | |
| 10.4 (b) | in Microsoft Excel format, reconciliation (including all calculations and formulae) of SA Power Networks' total forecast opex proposal to forecast standard control services opex and dual function assets opex by opex category in Workbook 1 – Regulatory determination, regulatory template 2.16, tables 2.16.2 and 2.16.4; | | | | |
| 10.4 (c) | explanation of major drivers for the increases and decreases in expenditure by opex category in the forthcoming regulatory control period compared to actual historical expenditure; | | | | |
| 10.4 (d) | explanation and justification for: | | | | |
| 10.4 (d) i | whether SA Power Networks considers there is a year of historic opex that represents efficient and recurrent costs; or | | | | |
| 10.4 (d) ii | why SA Power Networks considers no year of historic opex represents efficient and recurrent costs; | | | | |
| | **Output Growth** | | | | |
| **10.5** | **Provide the amount of total forecast opex attributable to output growth changes for standard control services opex and dual function assets opex in Workbook 1 – Regulatory determination, regulatory template 2.16, tables 2.16.1 and 2.16.3.** | Attachment 6 – Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.16) | 6.5 - NERA - Review of the AERs Proposed Output Weightings<br>6.8 - Opex SEM Model 2020-25 RCP | Note: SAPN does not have any dual function assets. |
| **10.6** | **Provide:** | | | | |
| 10.6 (a) | the output growth drivers SA Power Networks used to develop the amount of total forecast opex attributable to output growth changes; | Attachment 6 – Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 | 6.5 - NERA - Review of the AERs Proposed Output Weightings<br>6.8 - Opex SEM Model 2020-25 RCP | |
| 10.6 (b) | any economies of scale factors applied to the growth drivers; | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 10.6 (c) | evidence that the growth drivers explain cost changes due to output growth; and | | (2.16) | | |
| 10.6 (d) | if SA Power Networks applied any composite multiple output growth drivers: | | | | |
| 10.6 (d) i | the inputs for each composite multiple output growth driver; and | | | | |
| 10.6 (d) ii | the weightings for each input; | | | | |
| **10.7** | **Provide an explanation of how, in developing the amount of total forecast opex attributable to output growth changes, SA Power Networks:** | | | | |
| 10.7 (a) | applied the output growth drivers; and | Attachment 6 – Operating expenditure | | 6.5 - NERA - Review of the AERs Proposed Output Weightings<br>6.8 - Opex SEM Model 2020-25 RCP | |
| 10.7 (b) | accounted for economies of scale. | | | | |
| | **Real Price Changes** | | | | |
| **10.8** | **Provide the amount of total forecast opex attributable to changes in the price of labour and materials for standard control services opex and dual function assets opex in Workbook 1 – Regulatory determination, regulatory template 2.16, tables 2.16.1 and 2.16.3.** | Attachment 6 – Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.14, 2.16) | 6.6 - BIS Oxford Economics - Utilities Construction Wage Forecasts to 2024-25 | |
| **10.9** | **Provide an explanation of:** | | | | |
| 10.9 (a) | how, in developing the amount of total forecast opex attributable to changes in the price of labour and materials, SA Power Networks applied the real price measures in *Workbook 1 – Regulatory determination, regulatory template 2.14; and* | Attachment 6 – Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.14) | 6.6 - BIS Oxford Economics - Utilities Construction Wage Forecasts to 2024-25 | |
| 10.9 (b) | whether SA Power Networks' labour price measure compensates for any form of labour productivity change. | Attachment 6 – Operating expenditure | | | |
| | **Productivity Change** | | | | |
| **10.10** | **Provide the amount of total forecast opex attributable to changes in productivity for standard control services opex and dual function assets opex in Workbook 1 – Regulatory determination, regulatory template 2.16, tables 2.16.1 and 2.16.3.** | Attachment 6 – Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.16) | | Refer to SAPNs submission on the AERs Productivity Review - https://www.aer.gov.au/system/files/SAPN%20-%20Submission%20to%20the%20AER%20Opex%20Productivity%20Growth%20Forecast%20Review%20Draft%20Decision%20Paper%20-%2021%20December%202018.pdf |
| **10.11** | **Provide, in percentage year on year terms, the productivity measure that SA Power Networks used to develop the amount of total forecast opex attributable to changes in productivity:** | Attachment 6 – Operating expenditure | | | |
| **10.12** | **Provide an explanation of:** | | | | |
| 10.12 (a) | how, in developing the amount of total forecast opex attributable to changes in productivity, SA Power Networks applied the productivity measure in paragraph 10.11; | Attachment 6 – Operating expenditure | | | |
| 10.12 (b) | whether SA Power Networks' forecast productivity changes capture the historic trend of cost increases due to changes in *regulatory obligations or requirements* and industry best practice; and | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 10.12 (c) | whether SA Power Networks' productivity measure includes productivity change compensated for by the labour price measure used by SA Power Networks to forecast the change in the price of labour. | | | | |
| **11.** | **STEP CHANGES** | | | | |
| **11.1** | **Provide the amount of total forecast opex attributable to opex step changes for standard control services opex and dual function assets opex in Workbook 1 – Regulatory determination, regulatory template 2.16, tables 2.16.1 and 2.16.3.** | Attachment 6 – Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.16, 2.17) | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh<br>6.2 - IT Applications Refresh<br>6.3 - Critical Infrastructure Obligations<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step change 2020-2025 final | |
| **11.2** | **Provide an explanation of why SA Power Networks considers:** | | | | |
| 11.2 (a) | the efficient costs of the *step change* are not provided by other components of SA Power Networks' total forecast opex such as base opex, output growth changes, real price changes or productivity change; | Attachment 6 – Operating expenditure | | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh Business Case<br>6.2 - IT Applications Refresh Business Case<br>6.3 - Critical Infrastructure Obligations Business Case<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step Change 2020-25 | |
| 11.2 (b) | the total forecast opex will not allow SA Power Networks to achieve the objectives in clause 6.5.6(a) of the NER unless the *step change* is included; and | | | | |
| 11.2 (c) | the total forecast opex will not reasonably reflect the criteria in clause 6.5.6(c) of the NER unless the *step change* is include. | | | | |
| **11.3** | **For all step changes in forecast expenditure provide:** | | | | |
| 11.3 (a) | In Workbook 1 – Regulatory determination, regulatory template 2.17 the quantum of the step changes: | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.17) | | |
| 11.3 (a) i | forecasts for each year of the forthcoming regulatory control period; and | | | | |
| 11.3 (a) ii | expected to be incurred, in the current regulatory control period; | | | | |
| 11.3 (b) | a description of the step change. | | | | |
| **11.4** | **For each step change listed in response to paragraph 11.3, provide an explanation of:** | Attachment 6 – Operating expenditure | | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh Business Case<br>6.2 - IT Applications Refresh Business Case<br>6.3 - Critical Infrastructure Obligations Business Case<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step Change 2020-25 | |
| 11.4 (a) | when the change occurred, or is expected to occur; | | | | |
| 11.4 (b) | what the driver of the step change is; | | | | |
| 11.4 (c) | how the driver has changed or will change (for example, revised legislation may lead to a change in a regulatory obligation or requirement); and | | | | |
| 11.4 (d) | whether the step change is recurrent in nature. | | | | |
| **11.5** | **For each step change listed in response to paragraph 11.3, provide justification for when, and how, the step change affected, or is expected to affect:** | Attachment 6 – Operating expenditure | | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh Business Case | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 11.5 (a) | the relevant opex category; | | | 6.2 - IT Applications Refresh Business Case<br>6.3 - Critical Infrastructure Obligations Business Case<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step Change 2020-25 | |
| 11.5 (b) | the relevant capex category; | | | | |
| 11.5 (c) | total opex; and | | | | |
| 11.5 (d) | total capex. | | | | |
| **11.6** | **For each step change listed in response to paragraph 11.3, provide the process undertaken by SA Power Networks to identify and quantify the step change; provide cost benefit analysis that demonstrates SA Power Networks proposes to address the step change in a prudent and efficient manner, including:** | Attachment 6 – Operating expenditure | | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh Business Case<br>6.2 - IT Applications Refresh Business Case<br>6.3 - Critical Infrastructure Obligations Business Case<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step Change 2020-25 | |
| 11.6 (a) | the timing of the step change; and | | | | |
| 11.6 (b) | if SA Power Networks considered a 'do nothing' option, evidence of how SA Power Networks assessed the risks of this option compared with other options. | | | | |
| **11.7** | **For each step change listed in response to paragraph 11.3, where the step change is due to a change in a regulatory obligation or requirement provide:** | Attachment 6 – Operating expenditure | | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh Business Case<br>6.2 - IT Applications Refresh Business Case<br>6.3 - Critical Infrastructure Obligations Business Case<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step Change 2020-25 | |
| 11.7 (a) | relevant variations or exemptions granted to SA Power Networks during the previous regulatory control period or the current regulatory control period; | | | | |
| 11.7 (b) | any relevant compliance audits SA Power Networks conducted during the previous regulatory control period or the current regulatory control period. | | | | |
| **11.8** | **For each step change listed in response to paragraph 11.7, provide, with reference to specific clauses of the relevant legislative instrument(s), the:** | Attachment 6 – Operating expenditure | | 5.18 - LV Management Business Case<br>6.1 - IT Infrastructure Refresh Business Case<br>6.2 - IT Applications Refresh Business Case<br>6.3 - Critical Infrastructure Obligations Business Case<br>6.3.1 - FIRB Electricity Business Security Committee. c 23: 2018 Compliance Report<br>6.4 - GSL Step Change 2020-25 | |
| 11.8 (a) | previous regulatory obligation or requirement; and | | | | |
| 11.8 (b) | how the changed regulatory obligation or requirement is driving the step change. | | | | |
| | **CATEGORY SPECIFIC OPEX** | | | | |
| 11.9 | **Provide the amount of total forecast opex attributable to category specific opex in Workbook 1 – Regulatory determination, regulatory template 2.17, table 2.17.5. The amount of total opex attributable to category specific opex must correspond with the category specific opex reported in Workbook 1 – Regulatory determination, regulatory template 2.16, table 2.16.1.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.17) | | |
| **ECONOMIC BENCHMARKING REPORTING** | | | | | |
| **12.** | **ECONOMIC BENCHMARKING** | | | | |
| **12.1** | **Complete the Workbook 1 – Regulatory determination, regulatory templates 3.1 to 3.7 in accordance with:** | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 12.1 (a) | the 'Economic Benchmarking RIN for distribution network service providers – Instructions and Definitions' issued to SA Power Networks on 28 November 2013, chapters 2 to 9; | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.1 to 3.7) | | Noted. |
| 12.1 (b) | paragraphs **12.2** to **12.10**. | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.1 to 3.7) | | Noted. |
| **12.2** | **The forecast revenue groupings in Workbook 1 – Regulatory determination, regulatory templates 3.1, tables 3.1.1 and 3.1.2 may be developed by trending forward actual historical revenue groupings in previous regulatory years. However:** | | | | Noted. |
| 12.2 (a) | Total revenues must equal the total forecast revenues proposed by SA Power Networks in its regulatory proposal, and | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.1) | | Noted. |
| 12.2 (b) | Revenue groupings must reflect SA Power Networks' forecast demand for its services in the forthcoming regulatory control period in its regulatory proposal. | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.1) | | Noted. |
| **12.3** | **Information provided in Workbook 1 – Regulatory determination, regulatory templates 3.2, tables 3.2.1 and 3.2.2 must reflect SA Power Networks' cost allocation method.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.2) | 18.10 - Cost Allocation Method (see link on AER site) | Noted. |
| **12.4** | **RAB asset financial data in the Workbook 1 – Regulatory determination, regulatory template 3.3 must reconcile to that in SA Power Networks' regulatory proposal PTRM and RFM.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.3) | 1.1 - PTRM Model<br>2.1 - Roll Forward Model | Noted. |
| **12.5** | **The definition of a tree must be applied when completing the variables "Average number of trees per urban and CBD vegetation maintenance span" (DOEF0208) and "Average number of trees per rural vegetation maintenance span" (DOEF0209)** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.7) | | Noted. |
| **12.6** | **In calculating responses to the variables DOEF0202 to DOEF0205, spans in the network service area where SA Power Networks is not responsible for the vegetation management associated with the span are not to be counted.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.7) | | Noted. |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| **12.7** | **"Total number of spans" (DOEF0205) does not include service line spans.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.7) | | Noted. |
| **12.8** | **SA Power Networks must report the route line length of feeders classified as either short rural or long rural divided by the total route feeder line length (this is the total feeder route line length for all CBD, urban, short rural and long rural feeders) against "Rural proportion" (DOEF0201);** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.7) | | Noted. |
| **12.9** | **For the purposes of calculating the "Route line length" variable (DOEF0301) or other variables measured in terms of route line length:** | | | | Noted. |
| 12.9 (a) | the length of service lines are not to be counted | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.7) | | Noted. |
| 12.9 (b) | the length of a span that shares multiple voltage levels is only to be counted once | | | | |
| 12.9 (c) | the lengths of two sets of lines that run on different sets of poles (or towers) but share the same easement are counted separately | | | | |
| **12.10** | **All forecast variables in the Workbook 1 – Regulatory determination, regulatory templates 3.1 to 3.7 must align with those in SA Power Networks' regulatory proposal. For the avoidance of doubt this includes forecast:** | | | | Noted. |
| 12.10 (a) | opex and capex; | Attachment 5 - Capital expenditure<br><br>Attachment 6 - Operating expenditure | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.2, 3.3) | | Noted. |
| 12.10 (b) | *maximum demand*, energy delivery; | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.4) | | Noted. |
| 12.10 (c) | revenues; | Attachment 1 - Annual Review Requirement and Control Mechanism | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.1) | | Noted. |
| 12.10 (d) | quality of services variables including SAIDI and SAIFI; and | Attachment 10 - Service target performance incentive scheme | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.6) | | Noted. |
| 12.10 (e) | quantities of physical assets. | | RIN 1 - Workbook 1 - Regulatory determination | | Noted. |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| | | | template 2020-21 to 2024-25 (3.5) | | |
| | | | | | |
| **13.** | **ALTERNATIVE CONTROL SERVICES** | | | | |
| **13.1** | **The *overheads* relating to each *alternative control service* listed in paragraph 13.2 must be disclosed.** | Attachment 14 - Alternative control services | | 14.2 - Metering Model and PTRM<br>14.4 - Fixed Fee and Quoted Services Pricing Model<br>14.6 - Public Lighting Pricing Model<br>Cost Allocation Method (see link on AER site) | |
| **13.2** | **Provide a list of all of the alternative control services that SA Power Networks intends to provide to customers and levy charges for in the forthcoming regulatory control period.** | Attachment 14 - Alternative control services<br><br>Attachment 17 - Tariff Structure Statement | | | |
| **13.3** | **Provide a definition of each *alternative control service* listed in paragraphs 14, 15 and 16.** | Attachment 14 - Alternative control services | | | No classification for ACS is proposed that differs from the classification in the F&A. |
| **13.4** | **For each *alternative control service* listed in paragraphs 14, 15 and 16, specify the charges applicable during each year of the *current regulatory control period.* Also include proposed charges for each year of the *forthcoming regulatory control period.*** | Attachment 17 - Tariff Structure Statement | | 14.9 - Network Negotiated Services & Public Lighting - 2015/16<br>14.10 - Network Negotiated Services & Public Lighting - 2016/17<br>14.11 - Network Negotiated Services & Public Lighting - 2017/18<br>14.12 - Network Negotiated Services & Public Lighting - 2018/19 | |
| **13.5** | **For each *alternative control service* listed in paragraphs 14, 15 and 16, specify the total revenue earned by SA Power Networks in each year of the *current regulatory control period and* forecast to be earned in the *forthcoming regulatory control period.*** | Attachment 14 - Alternative control services | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (3.1) | RIN 9 - Basis of Preparation (BoP)<br>14.4 - Fixed Fee and Quoted Services Pricing Model | |
| **13.6** | **For quoted services specify the total revenue earned in each year of the current regulatory control period and forecast to be earned in the forthcoming regulatory control period.** | Attachment 14 - Alternative control services | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (4.4) | RIN 9 - Basis of Preparation (BoP)<br>14.4 - Fixed Fee and Quoted Services Pricing Model | |
| **13.7** | **For each *alternative control service* listed in paragraphs 14, 15 and 16, provide the labour rate(s) used to calculate the charges for the *current* and *forthcoming regulatory control periods:*** | | | | |
| 13.7 (a) | specify the *labour classification level* used to provide the services e.g. outsourced or internally provided and labourer type. | | | 14.2 - Metering Model and PTRM<br>14.4 - Fixed Fee and Quoted Services Pricing Model<br>14.6 - Public Lighting Pricing Model | |
| 13.7 (b) | list all *direct costs*, and their quantum, in the make-up of the labour rate(s). | | | | |
| **13.8** | **List each material category (e.g. meters, poles, brackets) required for the provision of *each alternative control service* listed in the response to paragraphs 14, 15 and 16.** | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 13.8 (a) | provide a description of each material category. | | | 14.2 - Metering Model and PTRM<br>14.4 - Fixed Fee and Quoted Services Pricing Model<br>14.6 - Public Lighting Pricing Model | |
| 13.8 (b) | provide the average unit costs for each material category. | | | | |
| 13.8 (c) | list all *direct costs* included in the unit costs. | | | | |
| 13.8 (d) | specify the calculation of the quantum of *direct materials costs* included in the unit cost of materials. | | | | |
| **14.** | FEE BASED AND QUOTED ALTERNATIVE CONTROL SERVICES | | | | |
| **14.1** | **Provide a description of each *fee based* and *quoted* service, explaining the purpose of the service and list the activities which comprise each service. The list of *fee based* and *quoted services* should be consistent with those services listed in SA Power Networks' annual pricing proposals:** | Attachment 14 - Alternative control services | | | |
| 14.1 (a) | specify if the charges are for *fee based* and/or *quoted alternative control services;* | Attachment 14 - Alternative control services<br><br>Attachment 17 - Tariff Structure Statement | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (4.3, and 4.4) | | |
| 14.1 (b) | explain the reasons for the different charge with reference to the costs incurred; | | | 14.4 - Fixed Fee and Quoted Services Pricing Model | |
| 14.1 (c) | explain the method used to set the different charge; and | | | 14.4 - Fixed Fee and Quoted Services Pricing Model | |
| 14.1 (d) | provide the calculations underpinning the different charge. | | | 14.4 - Fixed Fee and Quoted Services Pricing Model | |
| **14.2** | **Identify the tasks involved in providing the service described in response to 14.1 including:** | | | | |
| 14.2 (a) | map the class of labour required to provide the service. | | | 14.4 - Fixed Fee and Quoted Services Pricing Model | |
| 14.2 (b) | the number of workers required to undertake the task and deliver the service. | | | 14.4 - Fixed Fee and Quoted Services Pricing Model | |
| 14.2 (c) | the average time required to complete the task and deliver the service. | | | 14.4 - Fixed Fee and Quoted Services Pricing Model | |
| **14.3** | **If materials are required to provide the service, specify each material category.** | | | 14.4 - Fixed Fee and Quoted Services Pricing Model | |
| **14.4** | **Provide all current and proposed charges for each *fee based* and *quoted alternative control service* in the current and *forthcoming regulatory control periods.*** | Attachment 17 - Tariff Structure Statement | | 14.9 - Network Negotiated Services & Public Lighting - 2015/16<br>14.10 - Network Negotiated Services & Public Lighting - 2016/17<br>14.11 - Network Negotiated Services & Public Lighting - 2017/18<br>14.12 - Network Negotiated Services & Public Lighting - 2018/19 | 14.9 - Network Negotiated Services & Public Lighting - 2015/16<br>https://www.sapowernetworks.com.au/your-power/billing/pricing-tariffs/ |
| **15.** | **METERING ALTERNATIVE CONTROL SERVICES** | | | | |
| **15.1** | **For metering alternative control services for the current regulatory control period and the forthcoming regulatory control period, provide details of the:** | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 15.1 (a) | *direct materials* and *direct labour costs;* | | | 14.2 - Metering Model and PTRM | Base step trend approach used to derive expenditure, level of detail requested is no longer relevant. |
| 15.1 (b) | installation costs; | | | | |
| 15.1 (c) | meter purchase costs; | | | | |
| 15.1 (d) | volumes of work; | | | | |
| 15.1 (e) | other costs associated with providing metering services; | | | | |
| 15.1 (f) | type of meters installed and forecast to be installed, separately for new meters and for replacement meters; | | | | |
| 15.1 (g) | the volume of meters by type set out in (f) and the revenue earned and forecast to be earned by each meter type; and | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (4.2) | 14.2 - Metering Model and PTRM | |
| 15.1 (h) | the total operating and *maintenance* costs incurred, and forecast to be incurred, for metering services. | Attachment 14 - Alternative control services | | 14.2 - Metering Model and PTRM | |
| **15.2** | **For metering works, for each year of the *current regulatory control period* and forecasts for the *forthcoming regulatory control period,* provide a description of:** | | | | |
| 15.2 (a) | the type of work undertaken (e.g. *meter reconfiguration*, *special meter read*) including a description of the activities undertaken to provide the service; | | | 14.2 - Metering Model and PTRM | Base step trend approach used to derive expenditure, level of detail requested is no longer relevant. |
| 15.2 (b) | the *labour costs* involved in providing the service, including any *overheads;* | | | | |
| 15.2 (c) | any materials costs involved in providing the service; | | | | |
| 15.2 (d) | the number (volume) of services provided and associated assumptions on which the volume of service was derived or estimated; | | | | |
| 15.2 (e) | the charge per service; and | Attachment 17 - Tariff Structure Statement | | 14.9 - Network Negotiated Services & Public Lighting - 2015/16<br>14.10 - Network Negotiated Services & Public Lighting - 2016/17<br>14.11 - Network Negotiated Services & Public Lighting - 2017/18<br>14.12 - Network Negotiated Services & Public Lighting - 2018/19 | |
| 15.2 (f) | the revenue earned by each service. | Attachment 14 - Alternative control services | | | |
| **15.3** | **For metering alternative control services, specify the number of customers in each year of the current regulatory control period, and forecasts for the forthcoming regulatory control period.** | | | 14.2 - Metering Model and PTRM | |
| **16.** | **PUBLIC LIGHTING ALTERNATIVE CONTROL SERVICES** | | | | |
| **16.1** | **Specify which items are capex and operational expenditure for each year of the current regulatory control period and forecasts for the forthcoming regulatory control period.** | Attachment 14 - Alternative control services | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (4.1) | SAPN - 14.5 - Public Lighting Asset Management Plan - January 2019 - Public<br>14.6 - Public Lighting Pricing Model | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| **16.2** | **Provide unit costs for the current regulatory control period and forecast for the forthcoming regulatory control period for:** | | | | |
| 16.2 (a) | luminaries; | | | 14.6 - Public Lighting Pricing Model | |
| 16.2 (b) | dedicated street lighting poles; | | | | |
| 16.2 (c) | brackets; | | | | |
| 16.2 (d) | lamps; | | | | |
| 16.2 (e) | photoelectric cells; | | | | |
| 16.2 (f) | labour rate (per hours); | | | | |
| 16.2 (g) | miscellaneous materials. | | | | |
| **16.3** | **Provide the depreciation period in years for each type of luminaire.** | | | 14.6 - Public Lighting Pricing Model | |
| **16.4** | **Provide the bulk change cycle in years for lamps and photoelectric cells.** | | | 14.6 - Public Lighting Pricing Model | |
| **16.5** | **Provide details of the average replacement age of each type of luminaire.** | | | 14.6 - Public Lighting Pricing Model | |
| **16.6** | **Provide the number of luminaires, by type, for the current and forthcoming regulatory control periods.** | | | 14.6 - Public Lighting Pricing Model | |
| **16.7** | **Provide the number of luminaires, poles and brackets replaced per year, for the current and forthcoming regulatory control periods.** | | | 14.6 - Public Lighting Pricing Model | |
| **16.8** | **Provide details, including assumptions used, for any other costs that are incurred for the provision of public lighting services.** | | | 14.6 - Public Lighting Pricing Model | |
| **16.9** | **Provide models and/or modelling that underpins proposed charges for the forthcoming regulatory control period and the reasons for the assumptions behind those forecasts.** | | | 14.6 - Public Lighting Pricing Model | |
| **16.10** | **For public lighting alternative control services, specify the number of customers in each year of the current regulatory control period, and forecasts for the forthcoming regulatory control period.** | | | 14.6 - Public Lighting Pricing Model | |
| **NETWORK INFORMATION REPORTING** | | | | | |
| **17.** | **DEMAND AND CONNECTIONS FORECASTS** | | | | |
| **17.1** | **Provide and describe the methodology used to prepare the following forecasts for the *forthcoming regulatory control period:*** | Attachment 5 - Capital expenditure (section 5.14.1) | | | |
| 17.1 (a) | *maximum demand*; and | Attachment 5 - Capital expenditure (section 5.14.1) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3) | | |
| 17.1 (b) | number of new *connections.* | Attachment 5 - Capital expenditure (section 5.14.1) | RIN 1 - Workbook 1 - Regulatory determination | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| | | | template 2020-21 to 2024-25 (2.3 and 2.5) | | |
| **17.2** | **Provide:** | | | | |
| 17.2 (a) | the model(s) SA Power Networks used to forecast *new connections* and *maximum demand*; | Attachment 5 - Capital expenditure (section 5.14.1) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.2 (b) | where SA Power Networks' approach to weather correction has changed, provide historically consistent weather corrected maximum demand data, as per the format in Workbook 1 – Regulatory determination, regulatory templates 3.4 and 5.4 using SA Power Networks' current approach. If any of this data is unavailable, explain why; | Attachment 5 - Capital expenditure (section 5.14.1) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.2 (c) | for new connections, volume and expenditure data requested in Workbook 1 – Regulatory determination, regulatory template 2.5; and | Attachment 5 - Capital expenditure (section 5.14.1 and 5.15) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.2 (d) | any supporting information or calculations that illustrate how information extracted from SA Power Networks' forecasting model(s) reconciles to, and explains any differences from, information provided in Workbook 1 – Regulatory determination, regulatory templates 2.5, 3.4 and 5.4. | Attachment 5 - Capital expenditure (section 5.14.1 and 5.15) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| **17.3** | **For each of the methodologies provided and described in response to paragraph 17.1 and, where relevant, data requested under 17.2(b) and 17.2(c) explain or provide (as appropriate):** | | | | |
| 17.3 (a) | the models used; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (b) | a global (top-down) and spatial (bottom-up) demand forecast; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (c) | the inputs and assumptions used in the models (including in relation to economic growth, *connections* numbers and policy changes and provide any associated models or data relevant to justifying these inputs and assumptions); | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report<br>5.12 - BIS Oxford Economics - Gross Customer Connections Expenditure Forecasts | Forecasting Methodology – supplied to the AER in June 2018. |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 17.3 (d) | the *weather correction* methodology, how weather data has been used, and how SA Power Networks' approach to *weather correction* has changed over time; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (e) | an outline of the treatment of *block loads, transfers* and *switching* within the forecasting process; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (f) | each appliance model used, where used, or assumptions relating to average *customer* energy usage (by *customer* type); | Attachment 5 - Capital expenditure (section 5.13.1 and 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (g) | how the forecasting methodology used is consistent with, and takes into account, historical observations (where appropriate), including any calibration processes undertaken within the model (specifically whether the load forecast is matched against actual historical load on the system and substations; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (h) | how the resulting forecast data is consistent across forecasts provided for each *network* element identified in *Workbook 1 – Regulatory determination, regulatory template 5.4 and system wide forecasts;* | Attachment 5 - Capital expenditure (section 5.13.1 and 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (i) | how the forecasts resulting from these methods and assumptions have been used in determining the following: | | | | |
| 17.3 (i) i | capex forecasts; and | Attachment 5 - Capital expenditure (section 5.15) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (i) ii | operating and maintenance expenditure forecasts. | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (j) | whether SA Power Networks used the forecasting model(s) it used in the joint planning process for the purposes of its *regulatory proposal;* | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (k) | whether SA Power Networks forecasts both *coincident* and *non-coincident maximum demand* at the feeder, *connection point*, *sub-transmission substation* and *zone substation* | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| | level, and how these forecasts reconcile with the system level forecasts (including how various assumptions that are allowed for at the system level relate to the *network* level forecasts); | | template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (l) | whether SA Power Networks records historic *maximum demand* in *MW*, *MVA* or both; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (m) | the *probability of exceedance* that SA Power Networks uses in *network planning;* | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (n) | the contingency planning process, in particular the process used to assess high system demand; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (o) | how risk is managed across the *network*, particularly in relation to load sharing across *network* elements and non-network solutions to peak demand events; | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018.<br>. |
| 17.3 (p) | whether and how the *maximum demand* forecasts underlying the *regulatory proposal* reconcile with any demand information or related planning statements published by AEMO, as well as forecasts produced by any transmission network service providers connected to SA Power Networks' *network;* | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (q) | how the normal and emergency ratings are used in determining capacity for individual *zone substations* and *sub-transmission lines;* | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (r) | where SA Power Networks proposes to commence or continue a demand-related capex project or program during the *forthcoming regulatory control period* on a *HV feeder:* | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | 5.10 - Distribution System Planning Report | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018.<br><br>Distribution System Annual Planning Report (DAPR), refer to SAPN website. |
| 17.3 (r) i | for each feeder from the *zone substation* that is the connecting *zone substation* for the relevant *HV feeder*, and any other feeders that the relevant *HV feeder* can transfer load to or from: | | | | |
| 17.3 (r) i (A) | assumed future load transfers between feeders; | | | | |

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|---|---|---|---|---|---|
| 17.3 (r) i (B) | assumed feeder underlying load growth rates (exclusive of *transfers* and specific *customer* developments); and | | | | |
| 17.3 (r) i (C) | assumed *block loads*, and associated demand assumptions; | | | | |
| 17.3 (r) ii | existing *embedded generation* capacity, and associated assumptions on the impact on demand levels; | | | | |
| 17.3 (r) iii | assumed future *embedded generation* capacity, and associated assumptions on the impact on demand levels; | | | | |
| 17.3 (r) iv | existing non-network solutions, and the associated assumptions on the impact on demand levels | | | | |
| 17.3 (r) v | assumed future non-network solutions, and associated assumptions on the impact on demand levels; and | | | | |
| 17.3 (r) vi | the diversity between feeders; | | | | |
| 17.3 (s) | where SA Power Networks proposes to commence or continue a demand-related capex project or program during the *forthcoming regulatory control period* on a *zone substation* (or relevant *substations* for a *sub-transmission line*): | | | | |
| 17.3 (s) i | assumed future load transfers between related *substations;* | Attachment 5 - Capital expenditure (section 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | ACIL Allen forecasting tool available on request<br><br>Forecasting Methodology – supplied to the AER in June 2018. |
| 17.3 (s) ii | assumed underlying load growth rates (exclusive of *transfers* and specific *customer* developments); | | | | |
| 17.3 (s) iii | assumed specific *customer* developments, and associated demand assumptions; | | | | |
| 17.3 (s) iv | existing *embedded generation* capacity, and associated assumptions on the impact on demand levels; | | | | |
| 17.3 (s) v | assumed future *embedded generation* capacity, and associated assumptions on the impact on demand levels; | | | | |
| 17.3 (s) vi | existing non-network solutions, and the associated assumptions on the impact on demand levels; | | | | |
| 17.3 (s) vii | assumed future non-network solutions, and associated assumptions on the impact on demand levels; and | | | | |
| 17.3 (s) viii | diversity with related substations. | | | | |
| **17.4** | **Provide:** | | | | |
| 17.4 (a) | evidence that any independent verifier engaged by SA Power Networks' has examined the reasonableness of the method, processes and assumptions in determining the forecasts and has sufficiently capable expertise in undertaking a verification of forecasts; and | Attachment 5 - Capital expenditure (section 5.13.1 and 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| 17.4 (b) | all documentation, analysis and models evidencing the results of the independent verification. | Attachment 5 - Capital expenditure (section 5.13.1 and 5.14) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | |
| **INCENTIVE SCHEMES AND OTHER REPORTING** | | | | | |
| **18.** | **EFFICENCY BENEFIT SHARING SCHEME** | | | | |
| **18.1** | **For the purposes of applying the efficiency benefit sharing scheme:** | Attachment 8 - Efficiency benefit sharing scheme | RIN 5 - Workbook 5 - EBSS | | |
| 18.1 (a) | identify all cost categories proposed to be excluded from the operation of the efficiency benefit sharing scheme; | | | | |
| 18.1 (b) | explain for each cost category identified in the response to paragraph 18.1(a) the reasons for the proposed exclusion. | | | | |
| **19.** | **SERVICE TARGET PERFORMANCE INCENTIVE SCHEME** | | | | |
| **19.1** | **Provide SA Power Networks' detailed methodology for calculating the following parameters used in the Service Target Performance Incentive Scheme (STPIS);** | Attachment 10 - Service target performance incentive scheme | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (6.1 and 6.2) | 10.1 - STPIS target calculations | |
| 19.1 (a) | the SAIDI and SAIFI targets for each supply reliability area; | | | | |
| 19.1 (b) | the *customer* service parameters and targets; | | | | |
| 19.1 (c) | daily SAIDI, SAIFI and *customer* service performance derived from the individual interruption data under paragraph 19.3; | | | | |
| 19.1 (d) | the MED threshold derived from the daily SAIDI data; | | | | |
| 19.1 (e) | the incentive rates to apply to each supply reliability area. | | | | |
| | **Note: All calculations must be made in accordance with the STPIS and using data which complies with the STPIS definitions; SA Power Networks must provide their SAIDI and SAIFI targets for each supply reliability area and not its forecasted SAIDI and SAIFI for each supply reliability area.** | | | | Noted. |
| **19.2** | **If SA Power Networks proposes adjustments to the STPIS targets away from those based upon raw historical data SA Power Networks must provide, in respect of each adjustment:** | | | | |
| 19.2 (a) | the reasons for the adjustment; | Attachment 10 - Service target performance incentive scheme | | 10.1 - STPIS target calculations | |
| 19.2 (b) | the quantum of the adjustment, and the effect of the adjustment on the targets for each of the supply reliability areas; and | | | | |
| 19.2 (c) | the method, basis and empirical data used as justification for the adjustment. | | | | |
| **19.3** | **Provide the data required in Workbook 1 – Regulatory determination, regulatory templates 6.1 and 6.2.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (6.1 and 6.2) | | |
| **20.** | **PROPOSED CONTINGENT PROJECTS** | | | | |
| **20.1** | **For each contingent project proposed in the *regulatory proposal*, provide:** | | | | One contingent project is proposed. |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| 20.1 (a) | a description of the *proposed contingent project*, including reasons why SA Power Networks considers the project should be accepted as a *contingent project* for the *forthcoming regulatory control period;* | Attachment 5 - Capital expenditure (section 5.17) | | | |
| 20.1 (b) | the *proposed contingent capex* which SA Power Networks considers is reasonably required for the purpose of undertaking the *proposed contingent project;* | | | | |
| 20.1 (c) | the methodology used for developing that forecast and the key assumptions that underlie it; | | | | |
| 20.1 (d) | information that demonstrates that the undertaking of the *proposed contingent project* is reasonably required to meet one or more of the objectives referred to in clause 6.6A.1(b)(1) of the NER; | | | | |
| 20.1 (e) | a demonstration that the proposed contingent capex for each proposed contingent project: | | | | |
| 20.1 (e) i | is not included (either in part of in whole) in SA Power Networks' proposed total forecast capital expenditure for the *forthcoming regulatory control period;* | | | | |
| 20.1 (e) ii | reasonably reflects the capex criteria, taking into account the capex factors, in the context of the proposed contingent project; and | | | | |
| 20.1 (e) iii | exceeds either $30 million ($nominal) or 5 per cent of SA Power Networks' proposed annual revenue requirement for the first year of the forthcoming regulatory control period, whichever is larger amount. | | | | |
| 20.1 (f) | the proposed trigger events relating to the proposed contingent project. | | | | |
| **20.2** | **For each proposed *trigger event relating* to the *proposed contingent project* referred to in 20.1 (f), demonstrate:** | Attachment 5 - Capital expenditure (section 5.17) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (7.2) | | |
| 20.2 (a) | the proposed trigger event is reasonably specific and capable of objective verification; | | | | |
| 20.2 (b) | the occurrence of the proposed *trigger event* makes the undertaking of the *proposed contingent project* reasonably necessary in order to achieve any of the *capex objectives;* | | | | |
| 20.2 (c) | the proposed *trigger event* generates increased costs or categories of costs that relate to a specific location rather than a condition or event that affects the *network* as a whole; | | | | |
| 20.2 (d) | the proposed *trigger event* is described in such terms that the occurrence of that event or condition is all that is required for the *distribution determination* to be amended under clause 6.6A.2 of the NER; | | | | |
| 20.2 (e) | the proposed trigger event is a condition or event, the occurrence of which is probable during the forthcoming regulatory control period, but the inclusion of capex in | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| | relation to the proposed trigger event under clause 6.5.7 of the NER is not appropriate because: | | | | |
| 20.2 (e) i | it is not sufficiently certain that the event or condition will occur during the *forthcoming regulatory control period* or if it may occur after that *regulatory control period* or not at all; or | | | | |
| 20.2 (e) ii | the costs associated with the event or condition are not sufficiently certain. | | | | |
| **20.3** | **Provide a summary of SA Power Networks' proposed contingent projects for the forthcoming regulatory control period, including the proposed contingent capex and trigger events for each proposed contingent project in the Workbook 1 – Regulatory determination, regulatory template 7.2.** | Attachment 5 - Capital expenditure (section 5.17) | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (7.2) | | |
| **21.** | **REVENUES FOR STANDARD CONTROL SERVICES** | | | | |
| **21.1** | **Provide SA Power Networks' calculation of the unsmoothed and smoothed revenues for each year of the forthcoming regulatory control period using the AER's post-tax revenue model, which is to be submitted as part of SA Power Networks' regulatory proposal.** | Attachment 1 - Annual Review Requirement and Control Mechanism | | 1.1 - PTRM Model | |
| **21.2** | **Provide details of any departure from the AER's post-tax revenue model for the calculations referred to in paragraph 21.1 and the reasons for that departure.** | Attachment 1 - Annual Review Requirement and Control Mechanism<br><br>Attachment 7 - Corporate income tax (7.5) | | | Attachment 1 provides details of the SAPN proposed smoothing of revenue, to ensure no real price increases after 2020-21 (ie X set to zero).<br><br>Attachment 7 (section 7.5) provides details of the variation in calculation of the estimated costs of corporate income tax. |
| **22.** | **INDICATIVE IMPACT ON ANNUAL ELECTRICITY BILLS** | | | | |
| **22.1** | **For the purposes of calculating the impact of SA Power Networks' regulatory proposal on the annual electricity bill of typical residential and business customers in South Australia, provide the data/information required in Workbook 7 – Indicative Bill Impact, regulatory template 7.6. Provide the data source for each input used for the calculation.** | Attachment 17 - Tariff Structure Statement | RIN 7 - Workbook 7 - Bill Impacts | | |
| **22.2** | **The data/information required in Workbook 7 – Indicative Bill Impact, regulatory template 7.6 is to be provided for the distribution costs of SA Power Networks and does not include any data/information in relation to any applicable transmission or jurisdictional scheme pass through costs.** | | | | |
| **23.** | **PROPOSED TARIFF STRUCTURE STATEMENT** | | | | |
| **23.1** | **Provide the model(s) used to calculate the long run marginal cost estimates in SA Power Networks' proposed tariff structure statement provided in accordance with the requirements of clauses 6.18.1A(a)(5) and 6.18.5(f) of the NER.** | Attachment 17 - Tariff Structure Statement | | 17.1 - Long Run Marginal Cost Model | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
|---|---|---|---|---|---|
| **23.2** | **Provide and describe the methodology and assumptions used to prepare the long run marginal cost estimates in paragraph 23.1.** | | | | |
| **23.3** | **Describe the relationship between the expenditure, demand and other inputs (as appropriate) used in the model provided under paragraph 23.1 and the expenditure, demand and other forecasts (as appropriate) provided as part of the building block proposal for the forthcoming regulatory control period.** | | | | |
| **24.** | **RATE OF RETURN** | | | | |
| **24.1** | **The Rate of Return Guideline sets out:** | | | | Noted. |
| 24.1 (a) | the AER's proposed positions on the elements for assessing the rate of return including the return on equity and return on debt; | | | | Noted. |
| 24.1 (b) | the estimation methods, financial models, market data and other evidence that the AER proposes to take into account when estimating the allowed rate of return; | | | | Noted. |
| 24.1 (c) | the way in which the AER proposes to take into account the estimation methods, financial models, market data or other evidence. | | | | Noted. |
| **24.2** | **If SA Power Networks proposes any departures from the methods, etc. referenced in paragraphs 24.1(a) or (b), provide the reasons for this departure, and also provide;** | | | | |
| 24.2 (a) | a description of SA Power Networks' actual debt and equity raising costs; and | Attachment 3 - Rate of return (section 7) | | | |
| 24.2 (b) | an explanation of the methodology which SA Power Networks is proposing for the expenditure required to compensate for debt and equity raising costs. | Attachment 3 - Rate of return (section 7) | | 1.1 - PTRM Model (for equity raising costs)<br>3.1 - Competition Economists Group - Debt transaction costs and PTRM timing benefits (for debt raising costs) | |
| | **Note: If the binding rate of return legislation is passed prior to the notice being completed and returned to the AER by SA Power Networks, the above paragraphs (24.1 and 24.2) should be deleted and replaced by the following drafting (and followed):** 24.1 The Rate of Return Guideline sets out how the rate of return will be calculated. | Attachment 3 - Rate of return | | | No departures from the Rate of Return Instrument are proposed. |
| **REGULATORY ASSET BASE AND TAX REPORTING** | | | | | |
| **25.** | **REGULATORY ASSET BASE** | | | | |
| **25.1** | **Provide SA Power Networks' calculation of the regulatory asset base for the relevant distribution system in respect of standard control services for each regulatory year of *current regulatory control period* using the AER's *roll forward model*, which is to be submitted as part of the *regulatory proposal.*** | Attachment 2 - Regulatory asset base | | 2.1 - Roll Forward Model | |
| **25.2** | **Provide details of each departure from the underlying methods in the AER's roll forward model for the calculation referred to in paragraph 25.1 and the reasons for that departure.** | | | | No departures from the underlying methods have been proposed. |
| **25.3** | **If the value of the regulatory asset base as at the start of the *forthcoming regulatory control period* is proposed to be adjusted because of changes to asset service classification, provide details** | | | | No departures from the underlying methods have been proposed. |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| | **including relevant supporting information used to calculate that adjustment value.** | | | | |
| **25.4** | **Provide details of any departure in the allocation of actual capex, asset disposal and customer contribution values across asset classes in the roll forward model from those reported in the Annual Reporting RIN for the relevant regulatory years and the reasons for that departure.** | | | | No departures from the underlying methods have been proposed. |
| **26.** | **DEPRECIATION SCHEDULES** | | | | |
| **26.1** | **Provide SA Power Networks' calculation of the depreciation amounts for the relevant distribution system in respect of standard control services for each regulatory year of:** | | | | |
| 26.1 (a) | the *current regulatory control period* using the *AER's roll forward model,* which is to be submitted as part of the regulatory proposal | Attachment 2 - Regulatory asset base<br><br>Attachment 4 - Regulatory depreciation | | 2.1 - Roll Forward Model | |
| 26.1 (b) | the *forthcoming regulatory control period* using the AER's *post-tax revenue model*, which is to be submitted as part of the *regulatory proposal.* | Attachment 2 - Regulatory asset base<br><br>Attachment 4 - Regulatory depreciation | | 1.1 - PTRM Model | |
| **26.2** | **Provide details of any departure from the underlying methods in the *AER's roll forward model* and *post-tax revenue model* for the calculations referred to in paragraph 26.1 and the reasons for that departure.** | | | | The year-by-year tracking approach is used to calculate the depreciation on the existing assets at 1 July 2015 and 1 July 2020. |
| **26.3** | **Identify any changes to standard asset lives for existing asset classes from the previous determination. Explain the reason(s) for each change and provide supporting information.** | Attachment 4 - Regulatory depreciation | | | No changes proposed for existing asset classes) |
| **26.4** | **Identify any changes to asset classes from the previous determination. Explain the reason(s) for using these new asset classes and provide supporting information on their proposed standard asset lives.** | Attachment 4 - Regulatory depreciation (section 4.4 Asset classes and 4.5. Standard asset lives) | | 4.2 - GHD Regulatory Depreciation Approach | Three new asset classes are proposed. |
| **26.5** | **If any existing asset classes from the previous determination are proposed to be removed and their residual values to be reallocated to other asset classes, explain the reason(s) for the change and provide relevant supporting information. This should include a demonstration of the materiality of the change on the forecast depreciation allowance.** | | | | No asset class removals proposed. |
| **26.6** | **Describe the method used to depreciate existing asset classes as at 1 July 2020 (the start of the forthcoming regulatory control period) and provide supporting calculations, if the approach differs from that in the roll forward model.** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 | 1.1 - PTRM Model<br>4.1 - RAB Depreciation Model | The year-by-year tracking approach is used to calculate the depreciation on the existing assets at 1 July 2020. |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| | | | (2.3, 2.5 and 5.4) | | |
| **27.** | **CORPORATE TAX ALLOWANCE** | | RIN 1 - Workbook 1 - Regulatory determination template 2020-21 to 2024-25 (2.3, 2.5 and 5.4) | | |
| **27.1** | **Provide SA Power Networks' calculation of the estimated cost of corporate income tax for the *forthcoming regulatory control period* using the *AER*'s *post-tax revenue model*, which is to be submitted as part of the *regulatory proposal.*** | Attachment 7 - Corporate income tax | | 1.1 - PTRM Model | |
| **27.2** | **Provide details of each departure from the AER's post-tax revenue model for the calculations referred to in paragraph 27.1 and the reasons for that departure.** | Attachment 7 - Corporate income tax (section 7.5 Estimated costs of corporate income tax for the 2020-25 RCP) | | | |
| **27.3** | **Identify each change to standard tax asset lives for existing asset classes from the previous determination. Explain the reason(s) for the change and provide relevant supporting information, including Commonwealth tax laws governing depreciation for tax purposes.** | | | | No changes proposed. |
| **27.4** | **Describe the method used to depreciate existing asset classes as at 1 July 2020 (the start of the forthcoming regulatory control period) for tax purposes and provide supporting calculations, if the approach differs from that in the roll forward model.** | Attachment 7 - Corporate income tax (section 7.4. Opening tax asset base) | | 1.1 - PTRM Model<br>4.1 - RAB Depreciation Model | |
| **27.5** | **Provide SA Power Networks' calculation of the tax asset base for the relevant system in respect of standard control services for each regulatory year of the *current regulatory control period* using the AER's *roll forward model*, which is to be submitted as part of the *regulatory proposal.*** | Attachment 7 - Corporate income tax (section 7.4 Opening tax asset base) | | 2.1 - Roll Forward Model<br>4.1 - RAB Depreciation Model | |
| **27.6** | **Provide details of each departure from the underlying methods in the AER*'s roll forward model* for the calculation referred to in paragraph 27.5 and the reasons for that departure.** | Attachment 7 - Corporate income tax (section 7.4 Opening tax asset base) | | | The year-by-year tracking approach is used to calculate the depreciation on the existing assets at 1 July 2015. |
| **27.7** | **Identify each difference in the capitalisation of expenditure for regulatory accounting purposes and tax accounting purposes. Provide reasons and supporting calculations to reconcile any differences between the two forms of accounts.** | Attachment 7 - Corporate income tax (sections 7.3 Outcomes from the Final Tax Report and 7.5 Estimated costs of corporate income tax for the 2020-25 RCP) | | | The differences will change with the recommendations from the AER's review of the regulatory tax approach. As discussed in Attachment 7.3, implementing these recommendations will require changes to the AERs' models and the AER has stated that it will be conducting a formal model change process covering the changes that need to be made to the current PTRM and Roll Forward Model (RFM) [1] to implement these recommendations. |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| | | | | | As discussed in Attachment 7.5, as new AER models reflecting the recommendations from the Final Tax Report are not currently available to properly calculate the estimated costs of corporate income tax and the regulatory tax allowance, our Proposal does not contain detailed workings for the tax building block. These workings will contain details on differences between capitalisation of expenditure between regulatory accounting and tax. This will be revisited in our Revised Proposal when we have had an opportunity to fully consider the implications of the new AER models. |
| **MISCELLANEOUS REPORTING** | | | | | |
| **28.** | **RELATED PARTY TRANSACTIONS** | | | | |
| **28.1** | **Identify and describe all entities which:** | | | | |
| 28.1 (a) | are a *related party* to SA Power Networks and contribute to the provision of distribution services; or | Attachment 6 - Operating expenditure | | 18.11 - Related Party Transactions Overview<br>5.33 - External Related Party Transactions Report (CHED Services)<br>18.8 - Group Corporate Structure and Organisational Structure | |
| 28.1 (b) | have the capacity to determine the outcome of decisions about SA Power Networks' financial and operating policies. | | | 18.11 - Related Party Transactions Overview | Oversight and directions of SA Power Networks is provided by the SA Power Networks Board. The Board is comprised of representations of CKI, PAH and Spark.<br><br>Related parties providing services to SA Power Networks have no influence or control over SA Power Networks' polices or operations. |
| **28.2** | **Provide a diagram of the organisational structure depicting the relationships between all the entities identified in the response to paragraph 28.1.** | | | 5.33 - External Related Party Transactions Report (CHED Services)<br>18.11 - Related Party Transactions Overview | |
| **28.3** | **Identify:** | | | | |
| 28.3 (a) | all arrangements or contracts between SA Power Networks and any of the other entities identified in the response to paragraph 28.1 currently in place or expected to be in place during the period 2018-19 to 2024-25 which relate directly or indirectly to the provision of distribution services; and | | | 18.11 - Related Party Transactions Overview<br>5.33 - External Related Party Transactions Report (CHED Services) | There are three service agreements in place between SA Power Networks and CHED Services, namely:<br>• FRC IT Services Contract,<br>• FRC Shared Services Contract; and<br>• Contact Centre Contract.<br>There are two service agreements for the provision of services by Enerven to SA Power Networks, namely:<br>• Enerven Powerline Services Agreement; and<br>• Enerven and SAPN Services Agreement.<br>There is a further service agreement for the provision of corporate services by SA Power networks to Enerven, namely: |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| | | | | | • SAPN and Enerven Corporate Services Agreement |
| 28.3 (b) | the service or services that are the subject of each arrangement or contract. | | | 18.11 - Related Party Transactions Overview<br>5.33 - External Related Party Transactions Report (CHED Services) | |
| **28.4** | **For each service identified in the response to paragraph 28.3 (b):** | | | | |
| 28.4 (a) | **provide:** | | | | |
| 28.4 (a) i | a description of the process used to procure the service; and | | | 6.7 - KPMG - Independent Analysis of CHED Services Arrangements<br>5.33 - External Related Party Transactions Report (CHED Services)<br>18.11 - Related Party Transactions Overview | |
| 28.4 (a) ii | supporting documentation including, but not limited to, requests for tender, tender submissions, internal committee papers evaluating the tenders, contracts between SA Power Networks and the relevant provider. | | | 5.33 - External Related Party Transactions Report (CHED Services)<br>18.11 - Related Party Transactions Overview<br>18.14 - CHED Services FRC Shared Services Agreement<br>18.15 - CHED Services IT Support Services Agreement<br>18.16 - CHED Services Contact Centre Services Agreement<br>18.17 - SAPN Powerline Services Agreement<br>18.18 - Enerven and SAPN Services Agreement<br>18.23 - SAPN and Enerven Corporate Services Agreement | |
| 28.4 (b) | **explain:** | | | | |
| 28.4 (b) i | why that service is the subject of an arrangement or contract (i.e. why it is outsourced) instead of being undertaken by SA Power Networks itself; | | | 5.33 - External Related Party Transactions Report (CHED Services)<br>6.7 - KPMG - Independent Analysis of CHED Services Arrangements<br>18.11 - Related Party Transactions Overview | |
| 28.4 (b) ii | whether the services procured were provided under a standalone contract or provided as part of a broader operational agreement (or similar); | | | 18.11 - Related Party Transactions Overview<br>5.33 - External Related Party Transactions Report (CHED Services) | |
| 28.4 (b) iii | whether the services were procured on a genuinely competitive basis and if not, why; and | | | 18.11 - Related Party Transactions Overview<br>5.33 - External Related Party Transactions Report (CHED Services) | |
| 28.4 (b) iv | whether the service (or any component thereof) was further outsourced to another provider. | | | 18.11 - Related Party Transactions Overview | |
| **29.** | **VEGETATION MANAGEMENT COMPLIANCE** | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| **29.1** | **Provide compliance audits of *vegetation management* work conducted by SA Power Networks during the *current regulatory control period.*** | | | 18.9 - Vegetation Management Audits<br>18.6 - GHD Vegetation Audits 2015-2018<br>18.22 - Vegetation Sample Audits | |
| **30.** | **CORPORATE STRUCTURE** | | | | |
| **30.1** | **Provide charts that set out:** | | | | |
| 30.1 (a) | the group corporate structure of which SA Power Networks is a part; and | | | 18.8 - Group Corporate Structure and Organisational Structure | |
| 30.1 (b) | the organisational structure of SA Power Networks. | | | 18.8 - Group Corporate Structure and Organisational Structure | The organisational structure is at January 2019 |
| **31.** | **FORECAST MAP OF DISTRIBUTION SYSTEM** | | | | |
| **31.1** | **Provide a forecast map of SA Power Networks' distribution system for the forthcoming regulatory control period. This map, together with any appropriate accompanying notes, should also indicate the location of new major network assets proposed to be constructed over the forthcoming regulatory control period.** | | | | Distribution System Annual Planning Report (DAPR), refer to SAPN website. |
| **32.** | **TRANSITIONAL ISSUES** | | | | |
| **32.1** | **Provide information on transitional issues (expressly identified in the NER or otherwise) which SA Power Networks expects will have a material impact on it and should be considered by the AER in making its distribution determination. For each issue, set out the following information:** | | | | |
| 32.1 (a) | the transitional issue; | | | | SAPN is not aware of any changes to regulatory approach that have been identified in AER guidelines that have required transitional issues to be dealt with in the AER's distribution determination for the 2020-25 regulatory control period. However, there are several regulatory review / decision processes that have not yet concluded at the time of lodgement of our regulatory proposal. These matters will need to be further considered once these review / decision processes conclude, and our views on these will need to be included in our revised regulatory proposal, including:<br><br>• The AER's productivity review (Forecasting productivity growth for electricity distributors)—our views on the AER's draft decision were set out in a submission to that review. At the time of submitting our regulatory proposal we have only been able to engage with the AER's draft decision on this review, as the final decision will only be issued after our regulatory proposal has been submitted.<br><br>• AER dispute resolution on SA Power Networks public lighting charges—at the time of submitting our regulatory proposal the AER has not yet issued its decision on the ongoing |
| 32.1 (b) | what has caused the transitional issue; | | | | |
| 32.1 (c) | how the transitional issue impacts on SA Power Networks; and | | | | |
| 32.1 (d) | how SA Power Networks considers the transitional issue could be addressed. | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| | | | | | dispute raised by the Local Government Association in relation to our historic public lighting charges for the period 1 July 2005 to 30 June 2010, including in particular, the value of our public lighting asset base. Therefore, our public lighting Alternative Control Services (Attachment 14) charges have been proposed without the AER's decision on this dispute.<br><br>• PTRM - as final new AER models reflecting the recommendations from the Final Tax Report are not currently available to properly calculate the estimated costs of corporate income tax and the regulatory tax allowance, our Proposal (Attachment 7) does not contain detailed workings for the tax building block.<br>o PTRM - as final new AER models reflecting the recommendations from the Final Tax Report are not currently available to properly calculate the estimated costs of corporate income tax and the regulatory tax allowance, our Proposal (Attachment 7) does not contain detailed workings for the tax building block. Instead, we have used a placeholder value of $1 for the building block for the estimated costs of corporate income tax.<br>o On 25 January, the AER released its proposed amendments to the distribution post-tax revenue model (PTRMs) under the National Electricity Rules. The amendments allow for the recognition of immediate expensing of certain capex for tax purposes and applies the diminishing value method for tax depreciation to new depreciable assets. A final amended distribution PTRM is expected to be released in April 2019. We intend to use the updated PTRM in our Revised Regulatory Proposal.<br><br>• STPIS - the definition Momentary Interruption Average Duration Index (MAIFI) was amended in the recently published version of the STPIS Guideline. This amendment required SAPN to recast reliability data to exclude interruptions where the duration exceed one minute but was no more than three minutes, this adjustment is detailed in our Regulatory Proposal Attachment - 10. In addition, our STPIS targets require adjustment as our incentive |

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| | | | | | breached the 3% revenue cap for our 2014/15 performance. |
| **ASSURANCE REQUIREMENTS** | | | | | |
| **33.** | **AUDIT OPINION REPORTS AND REVIEW CONCLUSION STATEMENTS** | | | | |
| **33.1** | **Provide the audit opinion report and review conclusion statements as applicable, prepared in accordance with the requirements set out in Appendix C.** | | | RIN 10 Deloitte Letter of Audit | |
| **33.2** | **Provide all reports from the auditor to SA Power Networks' management regarding the review conclusion statements and/or auditors' opinions report or assessment.** | | | RIN 10 Deloitte Letter of Audit | |
| **OTHER INFORMATION** | | | | | |
| **34.** | **CONFIDENTIAL INFORMATION** | | | | |
| **34.1** | **This paragraph applies to any information SA Power Networks provides:** | | | | |
| 34.1 (a) | in response to Schedule 1; | | | | Noted. |
| 34.1 (b) | in a regulatory proposal, for the forthcoming regulatory control period (a Proposal); | | | | Noted. |
| 34.1 (c) | in a revision or amendment to a Proposal; and | | | | Noted. |
| 34.1 (d) | in a submission SA Power Networks makes regarding a Proposal or a revised or amended Proposal; (together, *SA Power Networks'* Information). | | | | Noted. |
| **34.2** | **If SA Power Networks wishes to make a claim for confidentiality over any of SA Power Networks' Information, provide the details of that claim in accordance with the requirements of the AER's Confidentiality Guideline, as if it extended and applied to that claim for confidentiality.** | | | 18.3 - Confidentiality Claim | |
| **34.3** | **Provide any details of a claim for confidentiality in response to paragraph 34.2 at the same time as making the claim for confidentiality.** | | | 18.3 - Confidentiality Claim | |
| **35.** | **COMPLIANCE WITH SECTION 71YA OF THE NEL** | | | | |
| **35.1** | **Provide a statement attesting that:** | | | | |
| 35.1 (a) | Where any expenditure or cost has been incurred or is forecast to be incurred by SA Power Networks, as a result of or incidental to a review under Division 3A – Merits review and other non-judicial review – of the NEL: | | | 18.1 - Statement of compliance with section 71YA NEL | |
| 35.1 (a) i | SA Power Networks has not included any of that expenditure or cost, or any part of that expenditure or cost, in its capital or operating expenditures for a network revenue or pricing determination; and | | | | |
| 35.1 (a) ii | SA Power Networks has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and | | | | |
| 35.1 (a) iii | SA Power Networks has not sought to pass through any of that expenditure or cost, or any part of that | | | | |

| RIN Section | Requirement | Regulatory Proposal Section | RIN Template Reference | Supporting Documentation | Comments |
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| | expenditure or cost, to end users; or | | | | |
| 35.1 (b) | Where no expenditure or cost has been incurred or is forecast to be incurred by SA Power Networks, as a result of or incidental to a review under Division 3A – Merits review and other non-judicial review – of the NEL: | | | | |
| 35.1 (b) i | No such expenditure or cost has been incurred or is forecast to be incurred. | | | | |
| **36.** | **IDENTIFICATION OF CERTAIN COSTS IN ACTUAL CAPITAL AND OPERATING EXPENDITURE** | | | | |
| **36.1** | **For any actual capex or opex reported in response to this notice, identify any part of that expenditure which can be attributed to any expenditure or cost that SA Power Networks has incurred as a result of, or incidental to, a review under Division 3A – Merits review and other non-judicial review – of the NEL.** | | | | Not applicable. |