

Aurora Energy CPP – 31 March 2021 final decisions:

Requests for Information from the Commission to Aurora Energy

1. To help inform our decision on the Aurora Energy customised price-quality path application (the CPP application) for the CPP regulatory control period starting on 1 April 2021, we requested additional information from Aurora Energy in support of the CPP application. These Requests for Information (RFIs) followed a structured process agreed between us and Aurora Energy.
2. We issued RFIs where we identified areas where we wished to perform further analysis in relation to our evaluation of the CPP application.
3. The information from these RFIs, along with the CPP application, the Verifiers report, the WSP report and other supporting documents provided by Aurora Energy as part of its CPP application, and submissions we received from interested persons, have helped inform our CPP decision.
4. The following table sets out the RFI number and title of the RFIs we made to Aurora Energy.

Table 1: List of RFIs

RFI Number	RFI title
Q001	Clarification of figure in Aurora’s press statement of 12 June 2020
Q002	Capex and opex summaries
Q003	Proposed IM variation to clause 3.1.3
Q004	Opex disclosure for year ended 31 March 2020
Q005	Questions on forecasted MAR, distribution prices and total electricity bills
Q006	Quality assurance of capex and opex projects and programmes
Q007	Capex cost estimation processes
Q008	Network protection systems
Q009	Capex programme areas for investigation recommended by the Verifier
Q010	Asset management data
Q011	Consumer connection capital contribution

Q012	How Aurora has identified, analytically quantified, prioritised and mitigated safety risks
Q013	Request for a model schematic
Q014	Preliminary assessment of proposal - Taxation
Q015	Preliminary assessment of proposal – Cost allocation
Q016	Preliminary assessment of proposal – Capital contributions
Q017	Preliminary assessment of proposal – Capex and opex information
Q018	Reliability, service measures and quality standards (1)
Q019	Reliability, service measures and quality standards (2)
Q020	Preliminary assessment of proposal – Consistency between CPP application documents and CPP financial documents
Q021	Preliminary assessment of proposal – IM compliance questions
Q022	Preliminary assessment of proposal – Related party transactions and finance leases
Q023	Preliminary assessment of proposal – Forecast value of commissioned assets
Q024	People and SONS costs capitalisation
Q025	Proposed IM variation 3.1.3(11)
Q026	Consumer poles
Q027	Cost allocation
Q028	Decisions on forecast FTEs
Q029	Insurance costs in light of COVID-19
Q030	Benefits of ICT expenditure and resulting efficiencies gained
Q031	Project information for identified unverified capex growth and security projects
Q032	Project information to support asset replacement forecasts
Q033	Error in opex allocation file
Q034	Interruptions data 2019/2020
Q035	Reconciliation of SONS and IT opex models to the Opex Aggregation Model

Q036	Information supporting base year opex values
Q037	DPP allowance estimates in RY2020 \$ constant
Q038	Delivery processes - tracking and quality of delivery
Q039	Maintenance efficiencies due to new contracting arrangements
Q040	Preliminary assessment of proposal- information supporting RY2020 opex values
Q041	Change in COVID-19 assumptions from time of proposal submission
Q042	Confirming the opex models in supporting and relied upon material
Q043	Revaluation of assets not directly attributable and not allocated to EDS
Q044	Assumptions on works under construction as a percentage of capex
Q045	Project information to support asset replacement forecasts (supplement to RFI Q032)
Q046	Unverified opex supporting information
Q047	Reconciliation of FTEs in transfer of functions from Delta to Aurora
Q048	Project information for identified unverified capex projects
Q049	Models to support asset replacement forecasts
Q050	KPMG report on benchmarking of expenditure
Q051	Updating models for 2020 actuals values
Q052	Calculation of total electricity bill impact for business consumers
Q053	MOD 85 Upper Clutha DER solution
Q054	Reconciliation of MOD files 80 and 81
Q055	Project clarification for capex project
Q056	Unverified opex supporting information
Q057	Request for indicative pricing model
Q058	Models to support asset replacement forecasts

Q059	Reconciliation of FTEs in transfer of functions from Delta to Aurora (follow up to RFI Q047)
Q060	Reliability modelling and charter credits
Q061	Clyde/Earnsclough
Q062	Berwick to Halfway Bush 33kV overhead line rationalisation
Q063	Forecast annual residential KWh consumption per region
Q064	Opex clarifications
Q065	Inflation of real and nominal opex and capex
Q066	Clarification of transmission pass-through costs
Q067	Development of residential consumer profiles
Q068	Approach for changing CPI, escalator forecasts and FX rates in the CPP models
Q069	Capex aggregation model
Q070	Capital contribution adjustments
Q071	Capex and commissioned assets – actual v forecast
Q072	Contingent consumer connection capex
Q073	“Other” recoverable costs in RY22
Q074	Consumer connections and capital contributions (follow up for RFI Q070)
Q075	KPMG vegetation management benchmarking
Q076	Non-network opex benchmarking
Q077	Opex allocation to Otago
Q078	Opex IRIS price path smoothing assumptions
Q079	Clarification of calculation of \$75m IRIS deferral
Q080	Forecast ACOT payments – treatment of avoided transmission charges arising from distributed generation
Q081	Zone substation demand supporting growth
Q082	Sub-transmission cable fault data
Q083	Vegetation management contractor unit rates
Q084	Terms of reference for reports supporting Aurora submission
Q085	SONS and People costs
Q086	Vegetation management unit rates

Q087	Cable investment economic justification
Q088	Staff and non-staff costs for SONS and People costs opex portfolios
Q089	Updating the Aurora CPP financial model for actual 2019/20 results - request for information on capex and opex projects and their expected delivery.
Q090	Treatment of operating leases - how they are accounted for in opex and capex
Q091	Request for transmission cost breakdown