

**Figures within this spreadsheet are preliminary as at July 2020 and do not reflect the final position for our Revenue Proposal.**

This information should be read and considered in context with the Preliminary Positions and Forecasts Paper (PPFP) Presentation and PPFP Supporting Document, available on our website: [www.powerlink.com.au/2023-2027-regulatory-period](http://www.powerlink.com.au/2023-2027-regulatory-period).

Spreadsheets within this PPFP Data Pack include:

1. Comparison of our December 2019, April 2020 and July 2020 forecasts for the Revenue Proposal.
2. 2018-22 current regulatory period actuals and allowance.
3. Capital expenditure over three regulatory periods - 2013-17 (previous), 2018-22 (current), 2023-27 (forecast).
4. Operating expenditure over three regulatory periods - 2013-17 (previous), 2018-22 (current), 2023-27 (forecast).
5. Maximum Allowed Revenue (MAR), Regulated Asset Base (RAB) and Rate of Return over three regulatory periods - 2013-17 (previous), 2018-22 (current), 2023-27 (forecast).

(\$m real, 2021/22)							
Key component	AER allowance 2018-22	Actuals/forecast 2018-22	December 2019 forecast 2023-27	April 2020 forecast 2023-27	July 2020 forecast 2023-27	Difference (\$) July 2020 vs. AER allowance	Difference (%) July 2020 vs. AER allowance
Maximum Allowed Revenue	\$ 3,964.7	\$ 3,962.8	\$ 3,659.5	\$ 3,448.0	\$ 3,480.4	-\$ 484.3	-12.2%
Rate of Return	6.02%	6.02%	4.60%	4.51%	4.49%	N/A	-1.5%
Opening Regulated Asset Base	\$ 7,684.9	N/A	\$ 7,022.6	\$ 7,031.0	\$ 7,018.3	-\$ 666.6	-8.7%
Operating Expenditure	\$ 1,056.5	\$ 1,056.7	\$ 1,110.0	\$ 1,132.1	\$ 1,125.0	\$ 68.5	6.5%
Capital Expenditure	\$ 902.0	\$ 885.2	\$ 1,082.0	\$ 1,328.0	\$ 1,065.2	\$ 163.2	18.1%

**Notes:**

Inflation assumptions have differed between forecasts. This adjusts both the forecast and the AER's allowance, therefore forecasts and the AER's allowance are not directly comparable. Rates assumed have been:

- December 2019:- 2%
- April 2020:- 2.33%
- July 2020:- 2.25%

Further detail about the inputs, assumptions and approach for our December 2019, April 2020 and July 2020 forecasts can be found on our website, under Revenue Proposal Reference Group (RPRG) materials for those months: [www.powerlink.com.au/2023-2027-regulatory-period](http://www.powerlink.com.au/2023-2027-regulatory-period).

Forecast figures for FY21 and FY22 are not finalised and will be updated for the draft Revenue Proposal in September 2020.

(\$m real, 2021/22)	2018-22 regulatory period					
	2017/18 Actual	2018/19 Actual	2019/20 Actual <sup>1</sup>	2020/21 Forecast <sup>2</sup>	2021/22 Forecast <sup>2</sup>	TOTAL
<b>Capital expenditure</b>						
Allowance	177.5	178.1	181.3	188.7	176.5	902.0
Actual/forecast	160.3	176.7	175.1	184.4	188.7	885.2
Variance	- 17.2	- 1.4	- 6.2	- 4.3	12.2	- 16.8
<b>Operating expenditure</b>						
Allowance	213.0	212.1	211.1	210.3	210.1	1,056.5
Actual/forecast	200.9	210.1	210.5	216.3	218.8	1,056.7
Variance	- 12.1	- 2.0	- 0.5	6.0	8.7	0.1

**Notes:**

1. 2019/20 Actuals are preliminary and subject to finalisation and audit.
2. 2020/21 and 2021/22 forecast figures are yet to be finalised and will be updated.

(\$m real, 2021/22)	2013-17 regulatory period						2018-22 regulatory period						2023-27 regulatory period						
	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	TOTAL	2017/18 Actual	2018/19 Actual	2019/20 Actual <sup>1</sup>	2020/21 Forecast <sup>2</sup>	2021/22 Forecast <sup>2</sup>	TOTAL	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	TOTAL	
Load driven capex																			
Augmentations	183.9	113.8	-	1.4	0.8	0.3	297.4	1.4	5.7	3.9	2.9	3.3	17.0	2.5	2.2	1.2	0.0	2.3	8.2
Connections	6.8	8.7	-	1.0	-	1.3	15.2	-	0.1	0.0	-	-	0.1	-	-	-	-	-	-
Easements	15.0	12.5	7.0	3.1	9.3	46.9	-	0.2	0.8	2.1	2.2	9.9	14.8	5.9	-	1.4	1.4	1.4	10.1
Total load driven capex	205.7	134.9	6.6	2.6	9.7	359.5	1.2	6.6	5.9	5.1	13.1	31.9	8.4	2.2	2.6	1.4	3.7	18.3	
Non load-driven capex																			
Reinvestments	270.4	205.7	146.5	108.1	110.7	841.3	122.0	146.1	136.7	142.1	126.2	673.1	183.0	198.6	184.8	182.9	162.8	912.1	
System Services <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	1.1	15.0	16.1	8.9	5.1	-	-	-	14.0
Security/compliance <sup>4,5</sup>	6.0	6.7	5.1	3.2	29.9	50.9	20.8	2.2	1.4	9.7	16.7	50.7	3.8	3.8	-	-	-	-	7.5
Other <sup>5</sup>	14.4	7.1	2.4	2.1	2.8	28.8	-	0.3	1.0	3.3	0.03	-	4.0	-	-	-	-	-	-
Total non load-driven capex	290.9	219.4	154.0	113.3	143.4	921.0	142.5	149.3	141.3	152.9	157.9	743.9	195.7	207.5	184.8	182.9	162.8	933.6	
Non-network capex																			
Business IT	9.4	6.3	11.0	20.4	25.0	72.1	12.0	12.7	21.4	18.0	9.7	73.8	15.6	14.2	8.9	11.7	9.2	59.6	
Support the business <sup>6</sup>	20.2	3.5	7.1	8.4	3.3	42.6	4.7	8.1	6.5	8.4	7.9	35.6	7.5	6.2	6.6	17.3	16.0	53.6	
Total non-network capex	29.6	9.8	18.1	28.8	28.3	114.7	16.7	20.9	27.9	26.4	17.6	109.4	23.1	20.4	15.5	29.1	25.2	113.3	
Total capex	526.2	364.2	178.6	144.7	181.5	1,395.2	160.3	176.7	175.1	184.4	188.7	885.2	227.1	230.1	202.9	213.4	191.7	1,065.2	

**Notes:**

- 2019/20 actuals are preliminary and subject to finalisation and audit.
- 2020/21 and 2021/22 forecast figures are yet to be finalised and will be updated for the draft Revenue Proposal in September 2020.
- System Services is a new capex investment driver. It covers investments required to meet power system performance standards such as voltage control, inertia and system strength.
- Within the Security / Compliance category, Powerlink made significant investments in upgrading physical security at substations during 2016/17 and 2017/18 and is investing in enhanced environmental and safety compliance measures in 2020/21 and 2021/22.
- Forecast 2023-27 capex for the Security / Compliance and Other categories is still under development.
- The office refit project that was proposed to be undertaken during the 2018-22 regulatory period has been deferred and is now forecast for 2025/26 and 2026/27.

(\$m real, 2021/22)	2013-17 regulatory period						2018-22 regulatory period						2023-27 regulatory period					
	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	TOTAL	2017/18 Actual	2018/19 Actual	2019/20 Actual <sup>1</sup>	2020/21 Forecast <sup>2</sup>	2021/22 Forecast <sup>2</sup>	TOTAL	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	TOTAL
<b>Controllable Opex</b>																		
Field Maintenance	66.3	70.6	72.0	71.0	83.9	363.8	68.3	69.0	68.3	68.6	71.3	345.5	69.5	70.9	71.3	71.7	72.3	355.7
Refurbishment	36.8	37.8	42.1	37.5	36.4	190.6	37.0	39.5	38.5	38.2	38.5	191.7	39.5	40.3	40.5	40.8	41.1	202.3
Maintenance Support	14.7	15.4	14.2	16.2	13.9	74.4	14.3	14.5	14.2	13.5	14.6	71.1	14.6	14.9	14.9	15.0	15.1	74.5
Network Operations <sup>3</sup>	15.4	15.6	17.0	16.3	15.6	79.8	15.8	16.5	15.9	15.7	16.1	80.0	18.3	18.9	18.7	19.1	19.0	93.9
Asset Management Support	26.4	29.3	28.7	28.1	29.2	141.7	27.4	26.7	24.0	24.7	25.7	128.5	26.7	27.3	27.4	27.6	27.8	136.8
Corporate Support	27.8	29.1	45.9	53.9	52.2	209.0	24.0	28.8	33.4	34.9	30.5	151.5	28.8	29.4	29.5	29.7	29.9	147.4
<b>Total controllable opex</b>	<b>187.5</b>	<b>197.8</b>	<b>219.9</b>	<b>223.1</b>	<b>231.2</b>	<b>1,059.4</b>	<b>186.7</b>	<b>194.9</b>	<b>194.4</b>	<b>195.6</b>	<b>196.8</b>	<b>968.3</b>	<b>197.4</b>	<b>201.6</b>	<b>202.4</b>	<b>203.9</b>	<b>205.3</b>	<b>1,010.6</b>
<b>Non-controllable opex</b>																		
Network Support	-	-	3.0	3.9	1.9	8.8	-	-	-	-	-	-	-	-	-	-	-	-
Self Insurance	1.7	1.7	1.9	1.8	1.9	9.1	1.6	1.6	1.6	1.6	1.6	8.0	1.0	1.0	1.0	1.0	1.0	5.0
Insurance Premiums <sup>4</sup>	7.5	7.6	7.5	7.5	6.9	37.0	7.1	7.2	8.0	9.2	10.6	42.0	10.4	11.4	12.8	13.4	14.1	62.1
AEMC Levy <sup>5</sup>	-	-	4.3	4.4	4.6	13.3	4.9	5.7	6.1	6.1	6.1	29.0	6.2	6.2	6.2	6.3	6.3	31.2
Debt Raising	0.6	0.6	0.6	0.6	0.6	2.9	0.5	0.7	0.6	3.8	3.8	9.3	3.3	3.3	3.2	3.2	3.1	16.1
<b>Total non-controllable opex</b>	<b>9.8</b>	<b>9.9</b>	<b>17.2</b>	<b>18.2</b>	<b>16.0</b>	<b>71.1</b>	<b>14.2</b>	<b>15.2</b>	<b>16.2</b>	<b>20.7</b>	<b>22.1</b>	<b>88.3</b>	<b>20.9</b>	<b>21.9</b>	<b>23.2</b>	<b>23.9</b>	<b>24.5</b>	<b>114.5</b>
<b>Total opex</b>	<b>197.3</b>	<b>207.8</b>	<b>237.1</b>	<b>241.2</b>	<b>247.1</b>	<b>1,130.5</b>	<b>200.9</b>	<b>210.1</b>	<b>210.5</b>	<b>216.3</b>	<b>218.8</b>	<b>1,056.7</b>	<b>218.4</b>	<b>223.5</b>	<b>225.7</b>	<b>227.8</b>	<b>229.8</b>	<b>1,125.0</b>

**Notes:**

- 2019/20 actuals are preliminary and subject to finalisation and audit.
- 2020/21 and 2021/22 forecast figures are yet to be finalised and will be updated for the draft Revenue Proposal in September 2020.
- Network Operations includes a potential step change for cyber security of ~\$2.4m per year for the 2023-27 regulatory period.
- Insurance premiums are expected to increase significantly in the 2023-27 period compared to the 2018-22 regulatory period.
- The AEMC Levy for the 2018-22 regulatory period has exceeded the allowance and is anticipated to increase further in the 2023-27 regulatory period.

(\$m real, 2021/22)	2013-17 regulatory period						2018-22 regulatory period						2023-27 regulatory period					
	2012/13 Allowance	2013/14 Allowance	2014/15 Allowance	2015/16 Allowance	2016/17 Allowance	TOTAL	2017/18 Allowance	2018/19 Allowance	2019/20 Allowance	2020/21 Allowance	2021/22 Allowance	TOTAL	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	TOTAL
<b>Maximum Allowed Revenue (MAR)</b>																		
Return on Capital <sup>1</sup>	643.2	692.0	726.3	741.3	759.1	3,561.9	449.3	443.6	436.8	429.4	422.2	2,181.3	307.9	295.9	284.1	271.2	258.9	1,418.0
Return of Capital (regulatory depreciation) <sup>2</sup>	47.6	60.7	85.3	102.5	109.9	406.0	93.9	116.8	131.8	140.5	144.0	627.0	167.3	173.5	179.8	186.7	192.0	899.3
Operating Expenditure	211.4	219.4	225.0	233.4	240.2	1,129.4	213.0	212.1	211.1	210.3	210.2	1,056.5	218.4	223.5	225.7	227.8	229.8	1,125.1
Revenue Adjustments <sup>3</sup>	- 3.1	- 0.8	- 3.3	2.5	-	- 4.7	- 0.9	- 7.3	- 3.2	3.0	-	- 8.4	9.8	- 8.5	1.0	3.0	5.8	11.1
Net Tax Allowance <sup>4</sup>	13.3	14.1	14.8	16.6	17.8	76.7	18.0	20.0	22.9	23.8	23.5	108.2	4.4	2.6	3.7	7.5	8.8	26.9
<b>Annual Building Block Revenue Requirement (unsmoothed)</b>	<b>912.4</b>	<b>985.5</b>	<b>1,048.2</b>	<b>1,096.3</b>	<b>1,126.9</b>	<b>5,169.3</b>	<b>773.3</b>	<b>785.2</b>	<b>799.3</b>	<b>807.1</b>	<b>799.8</b>	<b>3,964.7</b>	<b>707.8</b>	<b>687.0</b>	<b>694.2</b>	<b>696.2</b>	<b>695.3</b>	<b>3,480.4</b>
<b>RAB</b>																		
Opening Regulated Asset Base	7,673.5	7,997.5	8,126.0	7,992.8	7,813.7	N/A	7,655.7	7,538.9	7,418.3	7,285.6	7,153.2	N/A	7,018.3	6,926.2	6,832.7	6,707.4	6,588.5	N/A
<b>Rate of return</b>																		
<b>Rate of return<sup>1</sup></b>	8.61%	8.61%	8.61%	8.61%	8.61%	N/A	6.02%	6.02%	6.02%	6.02%	6.02%	N/A	4.49%	4.37%	4.25%	4.13%	4.02%	N/A

**Notes:**

- Key driver of lower MAR between 2013-17, 2018-22 and 2023-27 regulatory periods is the reduction in the rate of return.
- Return of capital is increasing due to the lower revaluation RAB and also as a result of the change to year-by-year depreciation tracking in 2023-27 regulatory period.
- 2023-27 includes a revenue increment of \$11.1m due to the forecast net carryover for Efficiency Benefit Sharing Scheme (EBSS) and Capital Efficiency Sharing Scheme (CESS).
- Net tax allowance is lower in the 2023-27 regulatory period due to the changes to estimating taxation as a result of the AER's 2018 Tax Review.