

This template has been developed to assist customers and stakeholders to provide feedback on Powerlink's draft 2023-27 Revenue Proposal. Each section has a range of questions to help guide your feedback.

Please do not feel constrained by the template or the questions posed. We welcome input on any topic identified in our draft Revenue Proposal and in any form.

We will consider all feedback as part of the development of our Revenue Proposal, which will be lodged with the Australian Energy Regulator (AER) in January 2021. To enable sufficient time to consider feedback, submissions must be received by **30 October 2020**.

Note that all customers and stakeholders will have the opportunity to provide a submission to the AER on our Revenue Proposal after it is lodged in January 2021. We would also encourage customers and other stakeholders to provide their input and feedback to us directly.

Capable of acceptance goal

Our overarching engagement goal is to submit a Revenue Proposal that is capable of acceptance by our customers, the AER and Powerlink.

To assist our customers and stakeholders to whether capable of acceptance has been met, below are some suggested criteria we have developed based on customer input:

- demonstrated customer support;
- engagement was meaningful and the business was responsive to feedback;
- there is a clear business narrative;
- affordability is considered and addressed;
- the business assessed options available to it and sought to provide value to customers; and
- the Revenue Proposal is reasonable comparative to past performance and peers.

This is a guide only, and is intended to capture capable of acceptance elements relevant to customers, not items required to be assessed by the AER.

As an overall Revenue Proposal package, do you think our draft Revenue Proposal is capable of acceptance?

Note - the overall package could be assessed in terms of the total revenue and price impact to customers.

What elements of the draft Revenue Proposal are capable of acceptance? What elements are not?

Feedback on key draft Revenue Proposal elements

Customer Engagement – Chapter 3

Question guide:

- *Do you support Powerlink's engagement approach to date?*
- *Have we demonstrated how engagement has influenced the draft Revenue Proposal?*
- *What areas do you believe require further engagement in the lead up to the submission of our Revenue Proposal? (Note – for practical reasons we are unlikely to be able to undertake any formal engagement beyond mid-December 2020).*

Forecast capital expenditure – Chapter 5

Is the capital expenditure forecast capable of acceptance?

Yes ☐ No ☐

Do you support our proposal for contingent reinvestment projects?

Yes ☐ No ☐

Question guide:

- *Is our capital expenditure forecasting approach (Hybrid+) reasonable?*
- *Have we explained the key drivers for our capital expenditure forecast?*
- *Do you have any material concerns with our proposed increase in capex to manage our ageing fleet of transmission lines?*
- *Do you support our proposal for contingent reinvestments as an appropriate means to minimise cost impacts on customers up-front?*

Forecast operating expenditure – Chapter 6

Is the operating expenditure forecast capable of acceptance?

Yes ☐ No ☐

Question guide:

- *Have we explained the key drivers for our operating expenditure forecast?*
- *Is our operating expenditure forecasting approach (base-step-trend) reasonable?*
- *Do you support our no real growth in total operating expenditure target?*
- *Do you support our proposal of no opex step changes?*
- *Have we explained the key drivers for our operating expenditure forecast?*
- *Is our productivity target appropriate?*
- *How should we manage the risk of significant increases in insurance costs?*

Financials – Chapter 9, 10 and 11

Is the Maximum Allowed Revenue forecast capable of acceptance?

Yes ☐ No ☐

Question guide:

- *Do you support our change in depreciation tracking approach?*
- *Is our approach to forecasting inflation reasonable?*
- *Do you have any feedback on our indicative price path over the 2023-27 regulatory period?*

Cost pass through events – Chapter 12

Question guide:

- *Are our proposed nominated cost pass through events appropriate?*

Incentive Schemes (EBSS & CESS) – Chapter 14

Question guide:

- *Do you support our approach to the EBSS and CESS?*

Service Target Performance Incentive Scheme (STPIS) – Chapter 15

Question guide:

- *Is our proposed alternative target of 1 (versus a target of 0) for the large loss of supply sub-parameter of the Service Component of STPIS reasonable?*
- *Do you agree with our proposal not to include NCIPAP projects at this time?*
- *Do you think it is important that the AER use the most recent data to set targets for us over the next regulatory period, especially for the Market Impact of Congestion component of the scheme?*

Demand Management Incentive Allowance Mechanism (DMIAM) – Chapter 17

Question guide:

- Do you have any suggestions Powerlink should consider as potential DMIAM projects?

Do you have any further comments on our draft Revenue Proposal?

Do you want this feedback to be published on our website?

Yes ☐ No ☐

Name	
Position	
Company	
Contact details	

☐ I wish to remain anonymous

Submit Form

Please direct enquiries to:

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