

**Attachment to the minutes of Powerlink's Customer and Consumer Panel (C&CP)
meeting, 25 February 2016**

Potential Issues for C&CP to Consider in 2016

Feedback from panel members:

- Energy security – real issue, might need to be considered more in Revenue Proposals
- Increase of renewable generation on reliability of supply
- Tasmania in crisis – industry looking at Queensland
- Flat demand line could be turned on its head by policy change
- Five years is a long time in highly dynamic environment – should regulatory periods be shorter?
- Important to bring Revenue Proposal timings in line with each other
- Hard to reconcile timeframes eg. 5 year timeframe vs 10-20 year outlook

Revenue Proposal was in line with C&CP Expectations

Feedback from panel members:

- Extent to which Powerlink has complied with AER processes
- Powerlink has not generated unnecessary arguments with the AER
- First number looked at was WACC – was in line with AER position
- Better price outcomes for consumers
- Rate of return is good in the current environment
- Liked the concept of using the AER's repex model (not doing unnecessary work)
- Agree, pleasing to see Powerlink followed the AER guidelines
- Reduction in forecast capex looks great but is coming off a very high base
- Reduction in opex looks too low
- Useful to be able to feed back issues raised – smoke and mirrors is disappearing
- Good to see businesses doing more
- Never seen this level of engagement from Powerlink
- Acknowledged efforts of Ian and Jenny

Where might the Revenue Proposal be challenged?

Feedback from panel members:

- Possibly benchmarking eg. on the comparability of transmission businesses, which links to opex
- Appeals outcome – Powerlink has reserved its rights on WACC – need to look at Tribunal decision and process from here
- Are other TNSPs doing proposals?
- AusNet Services is 3 months ahead of Powerlink in the process
- ElectraNet may be lodging its proposal later this year
- Risks – regulatory depreciation – what does this mean?
- Alternative depreciation models – may require wider industry discussion
- Rate of return – pending Australian Competition Tribunal decision on NSW distribution decisions in 2015
- Powerlink has reserved its rights on the rate of return based on the Tribunal outcome
- Everyone is watching to see the outcome and position the Tribunal takes

Potential Engagement Topics

Feedback from panel members:

- New technology and smart grids – CSIRO presentation?
- Whole topic of innovation – how is this being addressed by Powerlink?
- Introduction of new tariff structures and tariff strategy
- Assumptions about customer behaviour
- University of Queensland – experts to bring together partners/industry – thought leaders, possibly Stephen Littlechild
- Vulnerable customer forum – important for St Vincent de Paul – can feed back to people we work with
- How can NSPs help – better outcomes
- Community safety – not as much interest
- May be more about Powerlink relationship with landholders
- Interesting to know more on planning and decision-making
- Area plans – long term network decisions
- What does N-1-50 really mean to customers?
- Alignment of NSP positions on renewables
- CSIRO input