

APA

Australia's energy
infrastructure partner

Basslink Transmission

Revised revenue proposal

November 2025



Contents

| | |
|-------------------------------------------------------------------------|-----------|
| Executive Summary | 3 |
| About Basslink | 4 |
| Background | 4 |
| Regulation of Basslink | 4 |
| How Basslink differs from overhead electricity transmission networks | 5 |
| The value of Basslink to consumers | 6 |
| Stakeholder engagement | 7 |
| Our engagement objectives | 7 |
| Our engagement approach | 7 |
| Our engagement channels | 8 |
| Engagement evaluation | 8 |
| Timeline of engagement interactions | 9 |
| What we heard and how we have responded | 10 |
| Our revised proposal revenue requirement | 15 |
| Our revenue requirement | 16 |
| X factors | 17 |
| Cost sharing | 18 |
| Derivation of our cost sharing | 18 |
| Estimated impact of our revised proposal on electricity bills | 19 |
| Our revised plan on a page | 20 |
| Initial Regulatory Asset Base (RAB) | 21 |
| Forecast capital expenditure | 23 |
| Control and protection system replacement moved to a contingent project | 23 |
| Forecast operating expenditure | 26 |
| Updating the base year | 26 |
| Incentive schemes | 29 |
| Cost pass throughs | 30 |
| Repair vessel cost pass through event | 30 |
| Frequency Control System Protection Scheme (FCSPS) costs | 33 |
| Pricing methodology | 34 |
| Glossary | 35 |
| Document listing | 36 |

Executive Summary

We are pleased to submit our revised revenue proposal (**revised proposal**) to the Australian Energy Regulator (**AER**) for the Basslink Interconnector (**Basslink**) for the four-year period from 1 July 2026 to 30 June 2030 (**2026–30**).

The initial Basslink revenue proposal was lodged with the AER in September 2023, alongside our application to convert Basslink from a Market Network Service Provider (**MNSP**) to a Transmission Network Service Provider (**TNSP**). The AER’s decision to convert Basslink to a TNSP took longer than anticipated, which means our original Revenue Proposal required some modifications to reflect updated information and evolving circumstances. Some of these updates were captured in the AER’s draft decision released on 12 September 2025, and this revised proposal responds to that draft decision while consolidating all changes made throughout the review process.

We welcome many aspects of the draft decision and appreciate the AER’s engagement. However, a few areas require refinement to reflect changes that have emerged during the review. Key updates in this revised proposal include:

- **Regulated Asset Base (RAB):** We are proposing three modest adjustments to the AER’s draft decision on the opening RAB. These include an alignment in the rate of return applied to historical construction costs, the inclusion of capitalised regulatory costs associated with Basslink’s transition to a TNSP, and an update to the 2025–26 forecast to better reflect expected expenditure. Collectively, these adjustments result in a 3% increase to the opening RAB compared to the draft decision.
- **Operating Expenditure forecasts:** We’ve retained the AER’s preferred ‘Base Trend Step’ approach for forecasting operating expenditure but propose updating the base year from 2021–22 to 2023–24 to better reflect Basslink’s actual operating costs and removing the need for several step changes and adjustments. The changes result in proposed operating expenditure that is almost 23% higher than the draft decision but are necessary to avoid the significant financial impact Basslink would face if the base year is not updated and the Efficiency Benefit Sharing Scheme is applied in the next regulatory period.
- **Capital Expenditure forecasts:** We have removed stage 2 of the control and protection system replacement from the forecast and instead propose it as a contingent project. This change accounts for the uncertainty surrounding both the scope and cost of the work at this stage of the project.

The control and protection system is critical to the safe and efficient operation of Basslink, but the current system will become fully obsolete and unsupported by the manufacturer from 2030. While our updated proposal included a forecast of \$85.5 million for its replacement, a detailed engineering study is required to confirm the scope and cost. Treating this as a contingent project will ensure that only well-defined and necessary investments are included in the capital forecast. This change reduces our revised capital expenditure by 85% compared to the AER’s Draft Decision.

Throughout the course of this review, cost sharing has been a key issue of stakeholder engagement, generating a lot of debate and feedback. The original proposal allocated 90% of Basslink’s costs to Victorian consumers and 10% to Tasmanian consumers. Based on stakeholder feedback, we revised our cost sharing approach to 75% of costs allocated to Victorian consumers and 25% to Tasmanian consumers.

Under our revised proposal and applying the cost sharing approach, the estimated impact on Basslink’s consumers’ cost of energy¹ will remain relatively low at around \$6.87 a year for Tasmanian residential consumers and just under \$1.39 a year for Victorian residential consumers.

These updates have been made in close consultation with the AER and our Regulatory Reference Group (**RRG**), ensuring transparency and alignment throughout the process. The RRG, comprising representatives of residential, small business, and large energy users in Tasmania and Victoria, has played a vital role in shaping our proposal and engagement strategy. We sincerely thank the RRG for its time, insights, and constructive feedback over the past several years.

This revised proposal supports Basslink’s continued delivery of affordable, reliable, and secure energy services to Tasmanian and Victorian consumers. We look forward to working collaboratively with the AER to finalise this process.



The dollars in this document are Real 30 June 2026 unless otherwise noted. Numbers in charts and tables may not add due to rounding.

¹ Including estimated proceeds from Settlement Residue Auctions

About Basslink

Background

In October 2022, APA acquired Basslink which owns and operates the 370 kilometre (**km**) long HVDC electricity interconnector between Victoria and Tasmania. The Basslink acquisition is consistent with our strategy to play a leading role in the energy transition.

Basslink starts at the Loy Yang switchyard in Gippsland (Southeast Victoria) and travels by a 61 km high-voltage overhead transmission line until it is submerged. From there it travels for 290 km under Bass Strait, at around 1.5 metres below the sea floor. It resurfaces again near George Town (Northern Tasmania) and travels another 11 km via a high-voltage overhead transmission line to the George Town substation.

Basslink is currently the sole electricity interconnector between Tasmania and Victoria and plays a critical role in enhancing security of supply on both sides of Bass Strait.

Basslink was originally developed to serve the following three main purposes:

- Provide electricity security for Tasmania in years of low rainfall
- Provide Victoria and Tasmania with access to a cheaper, more stable, electricity supply
- Provide generators across the National Electricity Market with additional revenue through access to customers in both Tasmania and the mainland.



Regulation of Basslink

Basslink began operations in 2006 as a MNSP. It had a commercial service contract in place with Hydro Tasmania that allowed Hydro Tasmania to trade the asset in the market at zero cost in return for an annual fee. This means that despite being a MNSP, Basslink operated as an ‘open link’ between Victoria and Tasmania, in a manner akin to that of a TNSP.

The initial agreement with Hydro Tasmania was terminated in 2022 and replaced with a new agreement that extended the relationship between Hydro Tasmania and Basslink through to 30 June 2025, when APA envisaged Basslink would then be converted to a TNSP. Basslink submitted a conversion application to the AER in September 2023, however the AER’s conversion decision took longer than expected. This means Basslink won’t become a TNSP until a year later than expected – on 1 July 2026.

The revenues of TNSPs are regulated by the AER under Chapter 6A and Chapter 11 of the National Electricity Rules (**the Rules**). The inaugural Basslink revenue proposal will be used to set the opening RAB, as well as the operating and capital expenditure allowances and the associated revenue Basslink is able to recover from customers for the period from 1 July 2026 through to 30 June 2030.

How Basslink differs from overhead electricity transmission networks

Basslink differs from land based TNSPs in the National Electricity Market as:

- **It's HVDC design is unique** – HVDC transmission is a rapidly evolving technology. Historically, this has resulted in a limited number of networks around the world being constructed with a particular technology and user interface, before it is superseded by the next generation of technology and so on. Basslink is the only network of its exact design. This impacts spares sourcing, troubleshooting and repairs as many components are unique to Basslink.

This is quite different to land based transmission networks who share many common parts and are able to utilise each other's spares (and even staff in emergency situations).

- **It is the only Australian interconnector with a subsea cable** – repairs and maintenance are more expensive for subsea assets compared to land based assets.

Basslink is one of 24 members who share a ship (the CS Lodbrog), that is designed to lay and undertake subsea fibre optic cable repairs. As Basslink is the only member who uses the CS Lodbrog exclusively for power cables, which are thicker, heavier and less flexible than fibre optic cable, it incurred specific fit-out costs for the ship. Subsea cable repairs are more complex and expensive to repair and take longer to complete compared to land based transmission wires.

This is very different to a land based transmission network who can make use of strategically placed depots, equipment and employees to undertake any necessary repairs and maintenance according to a schedule that is only rarely impacted by extreme weather.

- **Insurance costs are higher given Basslink's subsea nature.** Whilst all electricity networks have experienced increases in insurance premiums in recent years, Basslink's insurance costs remain significantly higher and are a significant proportion of operating expenditure. This is largely due to the higher cost of cable repairs and the small number of insurers (just two) operating in the international subsea cable insurance market, which necessarily affects the level of competition.

For example, TasNetworks transmission network most recently proposed insurance costs totalling \$6.7 million (\$ 2023–24)² over a five year period. This compares to \$39.5 million³ (\$ 2023–24) of insurance costs for Basslink over the same length period.

- **Accounting policies can impact costs** – unless directed in advance by the AER each network is able to determine which costs are treated as capital, operating and overheads, in line with accounting standards. It cannot be assumed that varying treatments will not materially impact reported capital and operating costs.

For example, one network may choose to allocate all corporate travel to operating expenditure, whilst another may treat it as an overhead and allocate it between operating and capital expenditure. Similarly, a network may treat field staff technical training as a direct operating expense, whilst another treats it as an overhead that is smeared across operating and capital projects. All these variations can add up to make a material difference which complicates direct comparisons between networks.

² [TasNetworks, Combined Proposal 2024-29 Overview, January 2023](#), p.32

³ Assumes the \$7.9 million of insurance expenditure in 2023–24 is applied across a five-year period

The value of Basslink to consumers



Affordability

given Basslink's substantial capacity and relatively small and known costs, when compared to the much higher costs and uncertainty of Marinus Link.



Reliability & security

through regulatory control and the application of associated incentive and service performance schemes.



Cheaper wholesale prices

will benefit each state, when they exist on the other side of the link, and should flow through to customer prices.



Open link

allows the free transfer of electricity between Tasmania and Victoria (within asset and market constraints).



Enhanced competition

in the generation and retail markets, with open access to settlement residue auctions.



Frequency control ancillary services

co-optimised dispatch of energy and frequency control services minimises costs and prices.

\$3.8 billion

Market benefits

that Basslink brings to energy consumers*.



Consumer influence and challenge

will help shape Basslink's future reliability, expenditure plans, and associated revenues.



Cheap, renewable energy

is accessible to both Victoria and Tasmania.



Cost transparency

through AER regulation, improving electricity supply chain visibility and how much is being paid and by whom.



Delays to Marinus Link

enhance the value of Basslink to consumers.



AER oversight of all interconnectors

ensures a level playing for the long-term interest of consumers.

* Under the Australian Energy Market Operator's Step Change scenario – see Attachment 5 of Basslink's September 2023 proposal

Stakeholder engagement

Our engagement objectives

Our engagement objectives were co-designed with stakeholders and aimed to deliver a Revenue Proposal that:



Our engagement approach

Our engagement plan aimed to understand consumer and stakeholder views and ensure their preferences are reflected in the Revenue Proposal.

An integral part of this plan was the establishment of a stakeholder Regulatory Reference Group (**RRG**) in November 2022. The RRG comprises a cross-section of stakeholders representing residential, small business and large energy users in Tasmania and Victoria. It serves as an independent advisory group to support the development and implementation of both the engagement plan and the Revenue Proposal.

The RRG includes independent consumer advocates as well as representatives from:

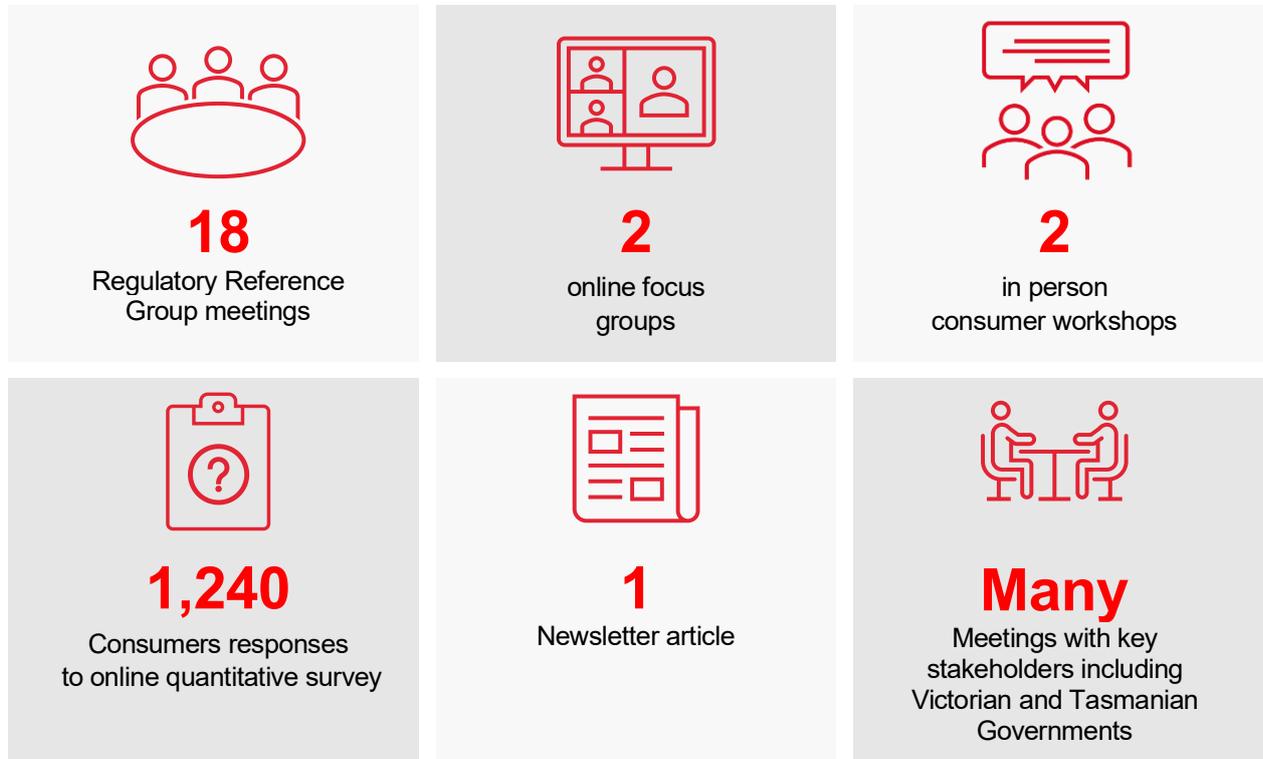
- St Vincent’s de Paul Society Victoria
- Tasmanian Minerals, Manufacturing and Energy Council
- Northern Tasmania Development Corporation
- Tasmanian Small Business Council
- Council on the Ageing Tasmania
- Gippsland Climate Change Network

We have been collaboratively working with the RRG under a principle of co-design for several years.

- The group was instrumental in refining engagement materials and the methods for consulting with consumers, industry and government stakeholders in the lead up to the September 2023 submission to the AER. Their guidance helped improve our understanding of the needs and expectations of different consumer segments.
- The RRG provided an independent report for the AER in August 2023 outlining their views on our engagement relative to the expectations outlined in the AER’s Better Resets Handbook. Overall, the RRG considered we met the Better Resets Handbook requirements and engaged openly and collegially across all levels of the organisation.
- We have continued to engage with the RRG since submitting our conversion application and Revenue Proposal in September 2023.

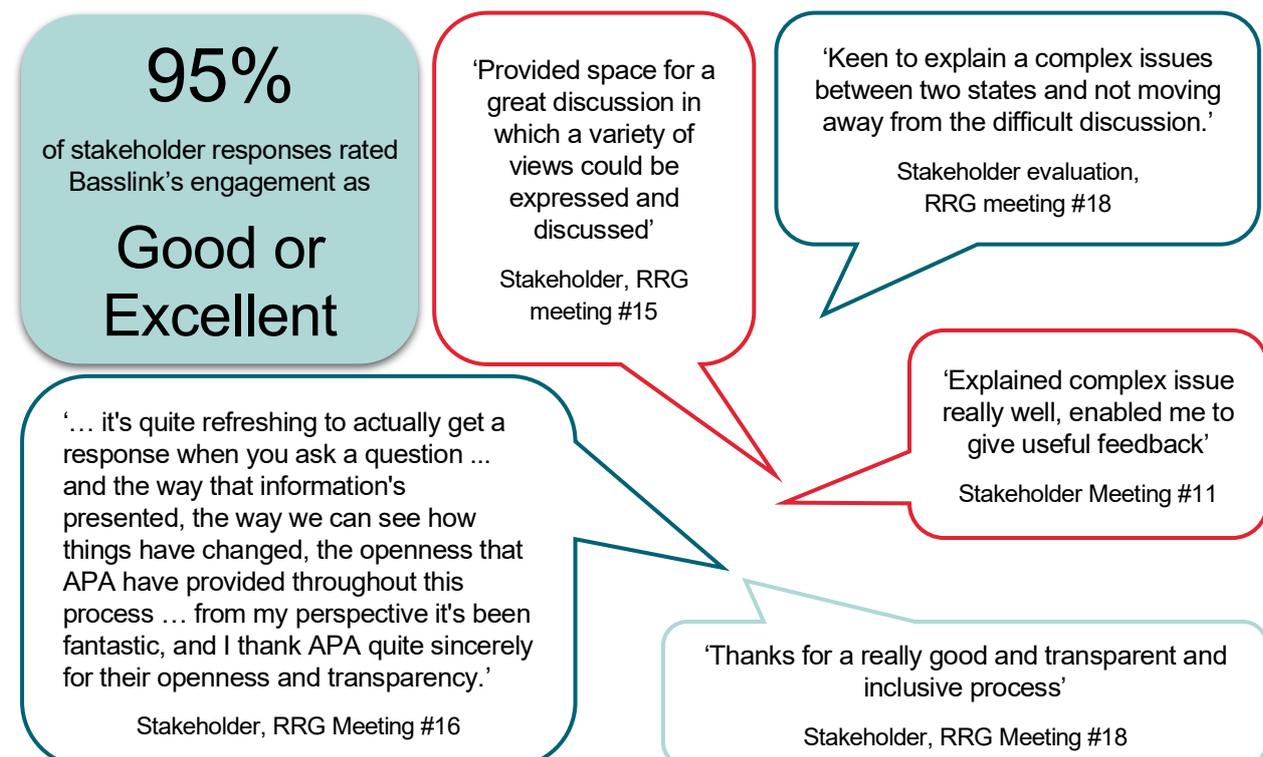
Our engagement channels

We used deep, broad and targeted engagement methods in the development of the Revenue Proposal with senior APA staff steering the engagement program and attending all engagement activities. This included our CEO, Adam Watson, presenting at the consumer workshops.



Engagement evaluation

At the end of each meeting, stakeholders were sent a short survey to complete rating the quality and content of the session.



Timeline of engagement interactions

| Month / Year | Activity | Issues discussed |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| November 2022 | Established RRG | <ul style="list-style-type: none"> — Confirmation of participants and Terms of Reference — APA's plans for Basslink |
| December 2022 | RRG Co-creation workshop | <ul style="list-style-type: none"> — Overview of proposed engagement — Core issues & priorities for engagement, including mapping of stakeholders and issues |
| January 2023 | RRG meeting #1 | <ul style="list-style-type: none"> — Regulatory conversion process — Overview of insurance issues — Opening RAB — Engagement timeline — Overview of consumer workshops |
| February 2023 | RRG meeting #2 | <ul style="list-style-type: none"> — Insurance options for Basslink — Cost sharing between Tasmania and Victoria — Materials for consumer workshops |
| March 2023 | Presentation to Bell Bay Advances Manufacturing Zone | <ul style="list-style-type: none"> — Introduction to APA and Basslink — Plans for regulatory conversion — Opportunities for engagement |
| | Online focus groups with Victorian and Tasmanian participants | <ul style="list-style-type: none"> — Regulatory conversion — Preferences on options for capital expenditure, insurance and cost sharing |
| | RRG meeting #3 | <ul style="list-style-type: none"> — Forecast capital expenditure — Forecast operating expenditure — Consumer workshop questions |
| | Melbourne consumer workshop | <ul style="list-style-type: none"> — Overview of Basslink and the regulatory process — Capital expenditure options with a focus on the control and protection system and reliability/affordability trade-offs — Insurance options, with a focus on price/risk trade-offs |
| | Launceston consumer workshop | <ul style="list-style-type: none"> — Options for cost sharing between Tasmania and Victoria, with a focus on the costs, benefits and impacts of the options |
| April 2023 | Article in the Tasmanian Minerals, Manufacturing & Energy Councils fortnightly newsletter | <ul style="list-style-type: none"> — Introduction to APA and APA's plans for Basslink — Invitation to engage with APA in the development of the Regulatory Proposal |
| | RRG meeting #4 | <ul style="list-style-type: none"> — Outcomes of the consumer workshops held in Melbourne and Launceston — Quantitative survey question line — Stakeholder engagement plans |
| May 2023 | Meetings with: <ul style="list-style-type: none"> — Victorian Chamber of Commerce & Industry — Energy Users Association of Australia — Australian Industry Group | <ul style="list-style-type: none"> — Regulatory conversion — Stakeholder engagement to date and the outcomes of the consumer workshops, including the preference for capital expenditure, insurance and cost sharing between Tasmania and Victoria — Initial forecasts of key elements of the regulatory proposal |
| | Online quantitative survey of 1,240 Victorian and Tasmanian consumers | <ul style="list-style-type: none"> — Level of energy literacy and concern on energy issues — Views on energy preferences, including issues relating to affordability, transparency, reliability and future energy needs — Overall knowledge and sentiment towards Basslink — Preferences on option for capital expenditure, insurance and cost sharing between Tasmania and Victoria |
| | Meeting with Tasmanian Government – Renewables – Renewables, Climate & Future Industries Tasmania | <ul style="list-style-type: none"> — Overview of stakeholder engagement, including consumer workshop and quantitative survey outcomes — Overview of APA Basslink Regulatory Proposal |

| Month / Year | Activity | Issues discussed |
|------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| May 2023 continued | Meeting with Victorian Department of Energy, Environment & Climate Action | <ul style="list-style-type: none"> — Overview of stakeholder engagement, including consumer workshop and quantitative survey outcomes — Overview of APA's Basslink Regulatory Proposal |
| September 2023 | RRG meeting #6 | <ul style="list-style-type: none"> — Update on APA's Basslink Regulatory Proposal — Future Stakeholder engagement on Basslink |
| Conversion application and Revenue Proposal lodged with the AER | | |
| November 2023 | RRG meeting #7 | <ul style="list-style-type: none"> — Update on Basslink — AER Issues Paper and Public Forum — Future Stakeholder engagement on Basslink |
| January 2024 | RRG meeting #8 | <ul style="list-style-type: none"> — Share APA's modelled scenarios, methodology and outcomes |
| March 2024 | RRG meeting #9 | <ul style="list-style-type: none"> — Submissions to the AER's Issues Paper — Regional market benefits for APA's modelled scenarios |
| July 2024 | RRG meeting #10 | <ul style="list-style-type: none"> — System Protection Scheme — Late submission to the AER's Issues Paper — Capital expenditure — Updates to Basslink timelines |
| | RRG meeting #11 | <ul style="list-style-type: none"> — System Protection Scheme deep dive — Settlement Residue Auctions |
| September 2024 | RRG meeting #12 | <ul style="list-style-type: none"> — Initial response to AER's Consultation Paper and the ACIL Allen modelling |
| | RRG meeting #13 | <ul style="list-style-type: none"> — Proposed changes to the RAB — Proposed updates to cost sharing approach |
| December 2024 | RRG meeting #14 | <ul style="list-style-type: none"> — Overview of the AER's draft decision on conversion — Contracting with Hydro Tasmania — Marinus Link timing and capacity — Economic efficiency versus customer prices |
| January 2025 | RRG meeting #15 | <ul style="list-style-type: none"> — Response to the AER's draft decision on conversion |
| July 2025 | RRG meeting #16 | <ul style="list-style-type: none"> — AER's final decision on conversion — Updates to operating expenditure — Updates to capital expenditure — Indicative revenue and price impacts — Frequency Control System Protection Scheme service costs |
| | | <ul style="list-style-type: none"> — AER draft decision and initial thoughts for the revised proposal — Next steps for the control & protection system |
| September 2025 | RRG meeting #17 | <ul style="list-style-type: none"> — Latest insurance estimates and rationale for selecting the higher premium/lower excess option — Frequency Control System Protection Scheme (FCSPS) update and indicative thoughts on cost recovery |
| October 2025 | RRG meeting #18 | <ul style="list-style-type: none"> — Explain draft approach for the revised proposal in response to the AER draft decision |
| | | <ul style="list-style-type: none"> — Obtain stakeholder feedback on the proposed response and the impacts of any changes on expenditure and revenue and the expected customer price impacts — Provide an update on FCSPS negotiations |

What we heard and how we have responded

The following table summarises our engagement findings and outcomes since lodging our initial proposal in September 2023. See our initial [revenue proposal](#)⁴ for more details.

⁴ Including attachments 3, 3.1 and 3.2

| Priority Issue | What we heard | How we responded in our ... | | |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Original revenue proposal | Updated revenue proposal | Revised proposal |
| Reliability  | <ul style="list-style-type: none"> – Consumers and industry stakeholders both strongly supported a high level of reliability due to concerns about the potential for electricity outages if Basslink fails. – Consumers at the workshops wanted to ensure that there were timely repairs to Basslink’s subsea cable should a failure occur in the future. Tasmanian consumers particularly referenced the need to avoid a repeat of Basslink’s 2015 outage. | <ul style="list-style-type: none"> – We focussed on maintaining Basslink’s high levels of reliability through three proposed investments <ul style="list-style-type: none"> • Replacement of the control and protection system at an estimated cost of \$45.5 million over 2025–30 – see the <i>Capital Expenditure</i> section of this table for more details regarding engagement on this topic. • \$6.9 million in capital expenditure to enable Basslink to operate at higher temperatures when customer demand for electricity is high. • \$7.65 million annual expenditure to help reduce repair times and the time Basslink would be offline in the event of a major incident. | <ul style="list-style-type: none"> – The \$6.9 million investment to enable Basslink to operate at higher temperatures was completed in 2024–25, so is now included in the opening RAB. – We removed the proposed \$7.65 million annual emergency preparedness expenditure as we were unable to agree contract terms with our cable provider that would reliably deliver the services at an appropriate cost to consumers. | <ul style="list-style-type: none"> – We have been advised that the ship Basslink uses to undertake subsea cable repairs (the CS Lodbrog) is likely to be retired earlier than expected, ahead of the end of the current contract. The costs for fitting out a new vessel do not meet the contingent project threshold and, given the uncertainty regarding the exact timing of the CS Lodbrog’s retirement and the associated fit out costs for a new vessel (which are entirely vessel specific), we are proposing a new cost-pass through to accommodate the potential costs of this event. For more details see the ‘<i>Cost pass throughs</i>’ section. Our RRG had no concerns with this proposed approach, outside of clarifying how much the insurer pays relative to Basslink and how repair and insurance costs are shared with the telecoms provider whose cable is tied to Basslink. |

| Priority Issue | What we heard | How we responded in our ... | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Original revenue proposal | Updated revenue proposal | Revised proposal |
| Insurance  | <ul style="list-style-type: none"> – Our engagement focussed on whether APA should adopt a high insurance excess/low premium with higher cost risks for customers should an insurance event occur, or a low insurance excess/high premium with lower cost risks should an event occur. – Consumers had mixed views on this issue and industry stakeholders did not have a preference. | <ul style="list-style-type: none"> – We proposed insurance arrangements that had a low excess/high premium as it offered a lower level of risk to customer prices in the long term. – The bill difference between the low and high excess approaches was relatively small and we considered this approach would meet consumer preferences around avoiding avoid bill shock, should damage occur. | <ul style="list-style-type: none"> – Given the small and volatile international market for subsea cable insurance, we sought updated estimates from our insurance broker. The estimated costs for this insurance were slightly lower than what was put forward in the original revenue proposal, and the data supported continuation of the higher premium/ lower excess option to help minimise potential bill shock for customers. | <ul style="list-style-type: none"> – We have updated the operating expenditure base year to 2023–24 as it better reflects Basslink’s actual operating costs. As a result, and consistent with the AER’s draft decision, an adequate level of insurance costs are included in this new base year, removing the need for a separate insurance forecast. – Our RRG supported updating the base year to a more accurate number in the interests of transparency and price certainty, even though it results in higher customer prices – see the ‘<i>Forecast operating expenditure</i>’ section for more details. |
| Frequency Control System Protection Scheme costs (FCSPS)  | <ul style="list-style-type: none"> – Stakeholders were keen to understand the magnitude of FCSPS costs and how they would apply to Basslink. | <ul style="list-style-type: none"> – We were unable to include any FCSPS costs in the original Proposal as the costs of procuring these services had never been previously quantified. | <ul style="list-style-type: none"> – We included forecast costs for the hardware associated with FCSPS provision, based on the current charge from TasNetworks, though were aware that TasNetworks was in the process of developing the project design to upgrade the hardware and communication platform. – The costs for providing FCSPS were not included as procurement of these services was on-going. The associated costs will be passed through as network support payments. | <ul style="list-style-type: none"> – An estimate of the costs associated with providing the new hardware and communication platform for the FCSPS has been provided by TasNetworks. The cost has increased by 65% since the updated proposal and may increase further. Our RRG questioned the efficiency of this cost increase from TasNetworks. – Negotiations for the provision of FCSPS services are on-going and associated costs will be passed through as network support payments. More details can be found in the ‘<i>Frequency Control System Protection Scheme (FCSPS) costs</i>’ section. |

| Priority Issue | What we heard | How we responded in our ... | | |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Original revenue proposal | Updated revenue proposal | Revised proposal |
| Affordability  | <ul style="list-style-type: none"> – Consumers highlighted that energy costs and affordability of electricity are key concerns for both residential and small business consumers. – Some industry stakeholders indicated a preference for price stability, while others noted the importance of ensuring any cost savings following the regulation of Basslink are passed through to consumers. | <ul style="list-style-type: none"> – We were conscious of keeping Basslink’s prices as low as possible, while maintaining a high level of reliability. – Consistent with consumer concerns around energy affordability, we proposed to adopt the Depreciated Actual Cost method for setting the RAB as it delivers the lowest initial forecast. – Basslink’s costs were expected to have minor real cost declines year on year for the revenue period. | <p>In response to stakeholder concerns regarding affordability, we:</p> <ul style="list-style-type: none"> – Reduced the standard lives of two asset classes bringing forward depreciation, along with other minor changes, which reduced the proposed RAB value by \$73 million. This change was supported by the RRG after it was clarified that the change would have no impact on future repairs or maintenance – Modified the proposed cost sharing approach to reduce the bill impact for Victorian consumers – see the ‘<i>Cost sharing</i>’ section below. | <ul style="list-style-type: none"> – We have proposed three minor adjustments to the AER’s draft decision on the initial RAB, none of which raised concerns with our RRG. See the ‘<i>Initial Regulatory Asset Base (RAB)</i>’ section for more details. – As noted above, we have updated the operating expenditure base year to 2023–24 and now propose just two step changes – one for the hardware associated with FCSPS provision and the other for forecast regulatory reset costs. Outside of the concern noted in the FCSPS section above, our RRG supported these changes. |
| Capital expenditure  | <ul style="list-style-type: none"> – Our engagement with consumers and stakeholders on capital expenditure focussed on the replacement of Basslink’s control and protection system, due to the significant cost of the replacement system. Views were sought as to whether the system should be replaced in the 2025–30 period or the following revenue period. – There was strong support from consumers and the Victorian Chamber of Commerce and Industry for replacing the control and protection system in the 2025–2030 period. | <ul style="list-style-type: none"> – We recognised the strong and consistent preference for the earlier replacement of the control and protection system from consumers and stakeholders, noting this preference was consistent with the high importance placed on reliability. – We proposed \$44.2 million for the replacement of the control and protection system in the 2025–30 period. | <ul style="list-style-type: none"> – We maintained replacement of the control and protection system in the capital expenditure plans for 2026–2030, albeit the cost of the project had more than doubled to \$85.5 million for the 2025–30 period, as the technology platform had been determined along with a wider project scope. The increased cost and scope of this project was explained to the RRG, and no concerns were raised. | <ul style="list-style-type: none"> – We have removed the control and protection system replacement costs from the capital expenditure forecast and instead included it as a contingent project. This approach was supported by our RRG – see the ‘<i>Our revised plan on a page</i>’ and ‘<i>Forecast capital expenditure</i>’ sections for more details. |

| Priority Issue | What we heard | How we responded in our ... | | |
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| | | Original revenue proposal | Updated revenue proposal | Revised proposal |
| Cost sharing  | <ul style="list-style-type: none"> Our engagement focussed on how Basslink’s costs should be shared between Tasmanian and Victorian consumers. Three cost sharing options allowed under the Rules were discussed, including options based on the geographic split of Basslink’s assets, energy flows between Tasmania and Victoria, and the market size of Tasmania and Victoria based on the number of electricity connections in each State. Consumers indicated a preference for the market size approach to cost sharing deeming it to be fairest. | <ul style="list-style-type: none"> Our original Revenue Proposal proposed cost sharing using the market size approach, given it was the clear preference of consumers, but we indicated that we intended to undertake further stakeholder consultation on this matter. | <ul style="list-style-type: none"> After submitting our original Revenue Proposal, we reviewed the submissions to the AER’s Basslink Issues Paper and engaged further with stakeholders. In response, we amended the proposed cost sharing approach to include the two most preferred ‘use’ metrics of customers – Market Size and Energy Flows – weighted in line with consumer preferences. This alternative cost sharing approach was presented to our RRG in September 2024. The group was supportive of this change. More details can be found in ‘<i>Derivation of our cost sharing</i>’ section. | <ul style="list-style-type: none"> Our revised proposal maintains the 75:25 Victorian:Tasmanian cost sharing approach. Not all stakeholders support this blended approach, as it does result in a relatively greater share of costs to individual Tasmanian customers however, overall, it was recognised there is no perfect solution, and the approach appropriately reflects the feedback from an extensive stakeholder engagement program. Our RRG appreciated there are shortcomings in the current Rules as: <ul style="list-style-type: none"> They require cost sharing be based on use, not benefit Cost recovery is limited to the interconnected states rather than all benefiting jurisdictions, and The impacts of other material factors, such as settlement residue auctions and FCSPS costs, sit outside the regulatory decision but can significantly alter the transmission price that consumers ultimately pay. More details can be found in the ‘<i>Cost sharing</i>’ section. |

Our revised proposal revenue requirement

The total four year revenue required under our revised proposal is \$30 million higher than the AER's draft decision, largely due to higher operating costs, from updating the base year to one that better reflects Basslink's actual operating costs, and to a lesser extent, a higher proposed opening RAB. You can read more about these changes in the 'Initial Regulatory Asset Base (RAB)' and 'Forecast operating expenditure' sections.

We have also updated forecast inflation to align with the Reserve Bank of Australia's November Statement on Monetary Policy.

Draft decision

\$402.5 million
Total revenue



Revised proposal

\$432.5 million
Total revenue

The total revised revenue proposed to operate and maintain Basslink for the four-year period beginning 1 July 2026 through to 30 June 2030 (2026–30) is set out below.

| | | | | |
|---|-----------------|--|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| + | \$179.2M | | Return on capital | We used the AER's Rate of Return Instrument 2022 to calculate the 2026–31 Rate of Return and have not updated the calculations from our original Proposal – the estimated nominal Vanilla Weighted Average Cost of Capital for 2026–27 is 6.51%. |
| + | \$116.0M | | Regulatory depreciation (return of capital) | Regulatory depreciation recovers a share of the outstanding cost of previous investments made to ensure ongoing reliable and safe operation of the Basslink interconnector. |
| + | \$124.1M | | Operating expenditure | Operating activities are focused on delivering safety, security and reliability for the interconnector and have been forecast using the AER's preferred 'Base, Trend, Step' method. |
| - | \$ – | | Revenue adjustments | As this is Basslink's inaugural regulatory period, there are no adjustments to account for penalties and rewards earned though any incentive schemes. |
| + | \$13.1M | | Net tax allowance | Taxation is calculated based of forecast revenue, operating expenditure tax depreciation and tax rates. |
| - | \$0.0M | | Revenue smoothing | Adjustment to smooth prices within the period and reduce price volatility in the following regulatory period. |
| = | \$432.5M | | Smoothed maximum allowed revenue (2026–30) | The forecast of the revenue expected to be earned by Basslink for the four-year regulatory period. |

Our revenue requirement

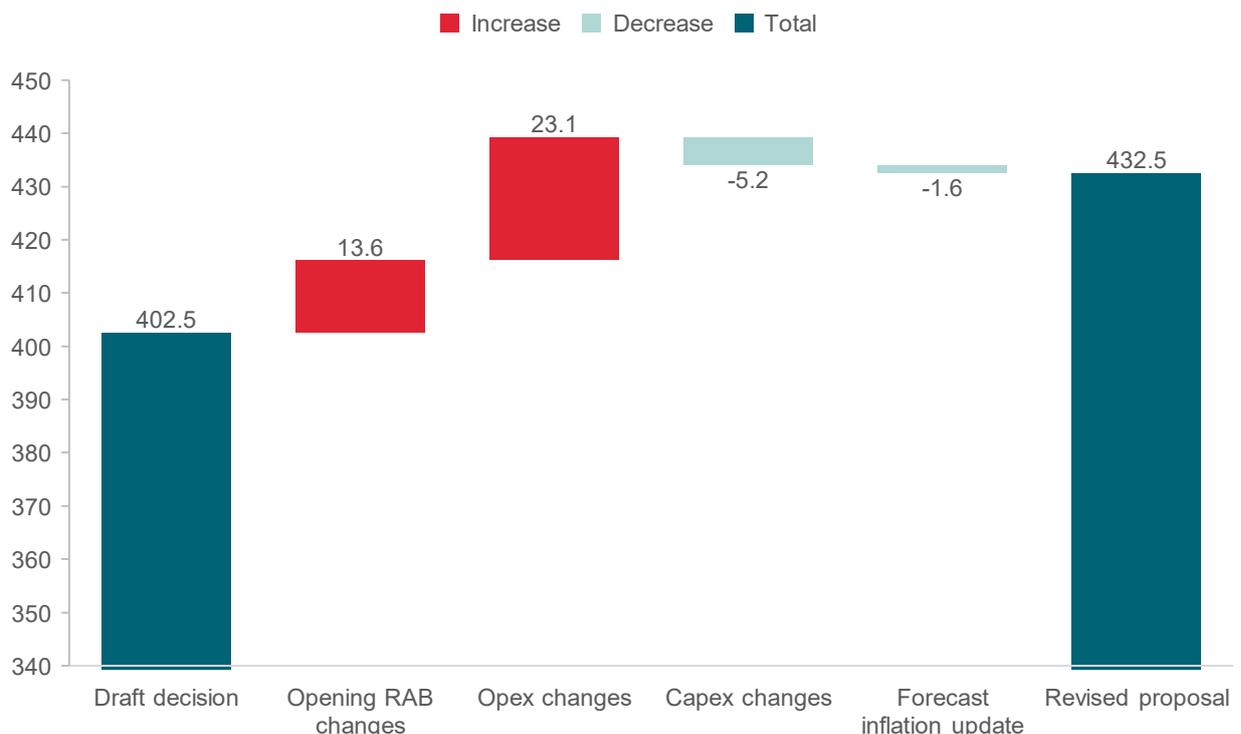
The building block revenue requirement for each year of our revised proposal is shown below, along with a comparison of the total annual smoothed revenue for the same four years in the AER’s draft decision.

Building block revenue requirement and comparison to the draft decision

| \$M Real 30 June 2026 | 2026–27 | 2027–28 | 2028–29 | 2029–30 | Total |
|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Return on capital | 48.7 | 46.5 | 43.5 | 40.5 | 179.2 |
| Return of capital (regulatory depreciation) | 26.9 | 28.4 | 29.7 | 31.0 | 116.0 |
| Operating expenditure | 30.4 | 30.5 | 31.7 | 31.4 | 124.1 |
| Revenue adjustments | – | – | – | – | – |
| Net tax allowance | 3.2 | 3.2 | 3.3 | 3.4 | 13.1 |
| Revised proposal building block revenue requirement (unsmoothed) | 109.3 | 108.6 | 108.2 | 106.4 | 432.5 |
| Revised proposal smoothed maximum allowed revenue | 109.3 | 108.5 | 107.7 | 106.9 | 432.5 |
| Draft decision smoothed maximum allowed revenue | 100.6 | 100.6 | 100.6 | 100.6 | 402.5 |
| Difference – revised proposal higher/(lower) | 8.7 | 7.9 | 7.1 | 6.3 | 30.0 |

The following chart explains the movement in unsmoothed revenue between the AER’s draft decision and our revised proposal.

Movement in smoothed revenue between the draft decision and revised proposal



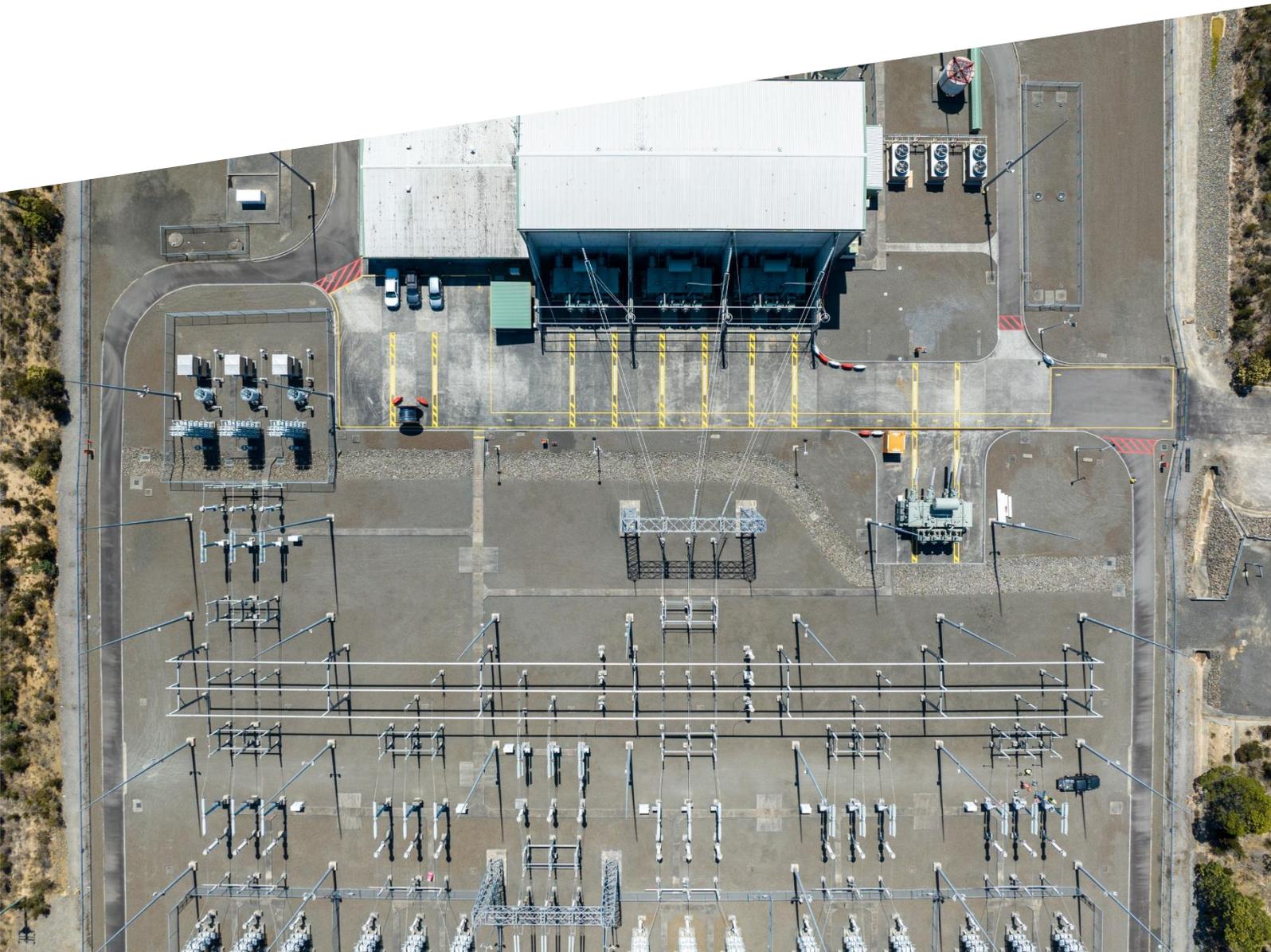
X factors

The X factors for both the AER's draft decision and our revised proposal are shown in the table below. These have been calculated using the AER's revenue smoothing approach built into the Post Tax Revenue Model.

As noted in the introduction to this section, we have updated the forecast 2025–26 revenue from which the X factors are set. The higher revenue forecast has lowered the expected X factor impact despite the higher revenue requirement.

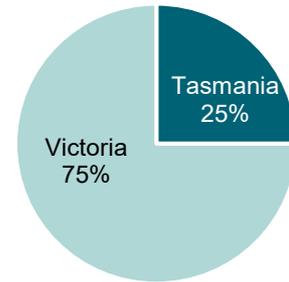
Revised proposal X factors and comparison to the draft decision

| | 2026–27 | 2027–28 | 2028–29 | 2029–30 |
|------------------------------|---------|---------|---------|---------|
| Revised proposal X factors | 0.00% | 0.73% | 0.73% | 0.73% |
| AER draft decision X factors | 0.64% | 0.00% | 0.00% | 0.00% |



Cost sharing

Basslink must determine how to allocate its aggregate annual revenue requirement between Victoria and Tasmania. Our revised proposal maintains the approach put forward in our August 2025 updated revenue proposal – which is based on a blend of both market size and energy flows and results in 75% of Basslink’s costs being borne by Victorian customers and 25% by Tasmanian customers.



The AER is not required to make a decision in relation to cost sharing, and the draft decision did not raise any concerns with our proposed approach.

Derivation of our cost sharing

Our proposed cost sharing approach is based on two ‘use’ metrics – Market Size and Energy Flows. These were the two most preferred cost allocation methods of customers who participated in the Basslink engagement.

We have weighted the two ‘use’ metrics based on consumer preferences, as outlined in the diagram below. The full engagement report that supports this analysis can be found at [Attachment 3.2](#) to the original Revenue Proposal. This alternative cost sharing approach was presented to our RRG in September 2024 and the group was supportive of this change.

Step 1: Establish the weighting of each metric in the cost sharing calculation

| | Market Size | Energy Flows |
|----------------------------------------------------------------|--------------------|------------------|
| % of participants who preferred each ‘use’ method ⁵ | 44% | 30% |
| % of participants who preferred either ‘use’ method | 44% + 30% = 74% | |
| Weighting to be applied to each ‘use’ method | 44 / 74 = 0.6 | 30 / 74 = 0.4 |

Step 2: Determine the allocation to each state

| | Tasmania | Victoria |
|--------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|
| Share of costs based on Market Size | 9% | 91% |
| Share of costs based on Energy Flows | 50% | 50% |
| Share of costs using blended Market Size and Energy Flows (using weightings calculated above) | (9% X 0.6) + (50% X 0.4) = 25% | (91% X 0.6) + (50% X 0.4) = 75% |

⁵ [SECNewgate Basslink Consumer Engagement Report: Consolidated findings from workshops and survey](#), p41

Estimated impact of our revised proposal on electricity bills

Basslink is estimated to cost customers less than a quarter of a cent per kilowatt hour over the 2026–30 period. As Basslink is just one component of the electricity market that serves Victoria and Tasmania, our revised revenue requirement and X factors may not directly translate to changes in annual electricity bills. Other transmission network costs, distribution network charges, wholesale electricity costs, environmental schemes and the costs and margins applied by electricity retailers will all impact the final prices that consumers pay.

The estimated average annual bill impact over the 2026–30 period for Tasmanian and Victorian residential and small business customers of our revised proposal revenue requirement using our cost sharing approach and including the estimated proceeds from Settlement Residue Auctions modelled by the AER’s consultant (ACIL Allen) is shown below.

Estimated average annual bill increase over the 2026–30 period including estimated Settlement Residue Auction proceeds⁶

| |  |  |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|  Residential customer | \$6.87 | \$1.39 |
|  Small business customer | \$13.45 | \$4.41 |

Settlement Residue Auction proceeds lower the prices customers will pay, though the actual amounts each state will receive is unknown and will vary with differences in the amounts paid and received by market participants during spot market transactions.

Excluding estimated Settlement Residue Auction proceeds from the potential bill impact outlines how our revised proposal revenue requirement is being shared between Tasmanian and Victorian customers – noting that actual price impacts will depend on how Basslink’s prices are incorporated into the prices of Victorian and Tasmanian transmission networks as well as the type of customer, their usage and level of connection.

Estimated average annual bill increase over the 2026–30 period excluding estimated Settlement Residue Auction proceeds

| |  |  |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|  Residential customer | \$18.67 | \$8.77 |
|  Small business customer | \$36.53 | \$27.83 |

It is important to highlight that these impacts exclude the, as yet unknown, costs associated with the Frequency Control System Protection Scheme that will be passed through to customers. These costs will increase the estimated bill impacts shown – for more details see the ‘Frequency Control System Protection Scheme (FCSPS) costs’ section.

Business customer bill impacts

It is possible that some direct connected customers may experience increases in transmission charges without any offsetting reduction in energy costs. For business customers wishing to estimate the impact of our revenue proposal on their bills, we have assumed the following:

- In Tasmania, Basslink’s revenue requirement equates to 0.24 cents per kilowatt hour. Settlement Residue Auction proceeds are estimated to lower this rate to 0.09 cents per kilowatt hour.
- In Victoria, Basslink’s revenue requirement equates to 0.19 cents per kilowatt hour. Settlement Residue Auction proceeds are estimated to lower this rate to 0.03 cents per kilowatt hour.

⁶ Assumes annual usage of 7,666 kWh for a Tasmanian residential customer, 4,727 kWh for a Victorian residential customer and 30,000 kWh for a small business customer and excludes cost impacts from FCSPS which are currently being negotiated.

Our revised plan on a page

Our 2026–30 plan on a page summarises our plans to deliver on the priority issues highlighted by stakeholders and any changes in the revised proposal, compared to our August 2025 updated revenue proposal and the AER’s draft decision.



Replacement of the Control and Protection System

To ensure Basslink continues to safely and reliably operate and integrate with the existing alternating current grids, we intend to replace the existing ‘supercomputer’ and the associated software interface in line with customers’ preferred timing, ahead of them becoming obsolete and unsupported from 2030. The new, supported hardware and software will improve cybersecurity resilience and provide access to spares.

As the project is in the early stages and detailed scoping has yet to take place, the AER were concerned with the level of detail and justification for the proposed costs. As a result, we have removed the project from the capital expenditure forecast and instead included it as a contingent project. This will allow detailed scoping to be undertaken to accurately define the project scope and associated costs, ensuring customers pay for a much more refined forecast.

See the ‘Forecast capital expenditure’ section for more detail.

Draft decision placeholder
\$84.4 million



Revised proposal
\$ nil
moved to a contingent project



Spare subsea cable

Basslink needs to store sufficient spare cable to be able to repair any fault in a timely manner. Obtaining a manufacturing slot for subsea cable has become increasingly difficult, due to the high uptake of HVDC cable internationally and the limited number of manufacturers.

Basslink has obtained a manufacturing spot, and our revised proposal includes \$7.5 million for the balance of a spare subsea cable order and the associated joint kits required to execute a repair, that will be delivered in 2026–27.

Draft decision and revised proposal
\$ 7.5 million



Maintaining reliability and security

Basslink will spend a further \$ 6.9 million to maintain the on-going reliability and security of the interconnector.

This amount excludes any costs that may be incurred fitting out a new cable repair ship should the current vessel, the CS Lodbrog, be retired in the 2026–30 period. These potential fit out costs do not meet the contingent project threshold criteria, and our proposed capital expenditure is too small to be able to accommodate this sort of unexpected and uncontrollable expenditure. As a result, we have proposed a new cost pass through for this potential event – see the ‘Cost pass throughs’ section for more detail.

Draft decision and revised proposal
\$ 6.9 million

Initial Regulatory Asset Base (RAB)

We propose three relatively minor adjustments to the AER’s draft decision in relation to the opening RAB:

- Altering the rate of return, used to calculate financing costs on new capital expenditure during Basslink’s 2000 to 2006 construction phase, from real to nominal
- The inclusion of historic capitalised regulatory costs incurred in transitioning Basslink to a TNSP, and
- Updating the 2025–26 forecast to better align with expected costs.

Draft decision
\$720.5 million



Revised proposal
\$742.6 million

Together these changes increase the opening RAB by \$22.1 million compared to the draft decision.

The RAB is an important element in the building block revenue model, driving about 70% of Basslink’s revenue requirement. The RAB consists of the adjusted total value of all regulated assets and is used in determining the allowance for depreciation and for a return on capital invested.

As highlighted above there are three differences between the AER’s draft decision and our revised proposal.

1. Rate of return on new capital expenditure during Basslink’s construction phase

We have adjusted the rate of return, applied to each year’s capital expenditure during Basslink’s 2000 to 2006 construction phase, from real to nominal to appropriately account for financing costs incurred. This technical change aligns with the intent in the AER’s draft decision and the treatment of new capital expenditure in other AER models.

2. Historic regulatory costs

The draft decision removed all regulatory costs associated with the transition of Basslink from an MNSP to a TNSP, on the basis they are operating expenditure rather than capital expenditure.

Whilst we accept the AER’s draft decision that regulatory reset costs are to be treated as an operating expense on a forward looking basis, the historic costs incurred for years 2022–23, 2023–24 and 2024–25 were correctly capitalised in our statutory accounts and are not included in the operating expenditure base year. More detail on our approach to the capitalisation of regulatory costs can be found in Attachment 6.

Given these costs were prudently and efficiently incurred and correctly recorded, Basslink should have the opportunity to recover them given it has been demonstrated that the conversion of Basslink is in consumers interest.

3. Updated 2025–26 forecast data

We have updated the 2025–26 forecast capital expenditure to include a now firm cost for stage 1 of the control and protection system replacement – the Front-End Engineering and Design. Our updated proposal included \$5.28 million for this work but this has grown to \$10 million, which includes a deposit to secure a manufacturing spot.

More detail on the Control and Protection System FEED (Phase 1) is outlined in attachment 7.

Stakeholder engagement on the revised proposal initial RAB

We discussed the proposed changes to the initial RAB with our RRG in our October 2025 meeting. The group had no concerns with the proposed changes, but wanted to:

- Clarify the primary driver(s) between the updated proposal and the revised proposal, which we explained was mainly attributable to the change in the rate of return from nominal to real, and
- Confirm that we had informed the AER of the technical change to the historic rate of return, which we have done.

The costs to integrate Basslink into the Australian Energy Market Operator's (AEMO) system as a fully functioning regulated interconnector were not included in our initial proposal. An estimate of \$1.5 million was included in our updated proposal models but, due to the low materiality, was not separately identified in the overview document. The integration costs are now expected to be \$3.7 million, including AEMO's costs, which Basslink is obliged to pay.

The integration costs are associated with system and software changes necessary to enable Basslink to operate as a TNSP within AEMO's systems. In the absence of this expenditure there is significant risks to Basslink's capability to flow electricity between Victoria and Tasmania.⁷

A comparison of the opening RAB value by asset class between the AER's draft decision and our revised proposal is shown in the following table.

Comparison of opening RAB value – partially as incurred

| \$ million 1 July 2026 | Draft decision | Revised proposal |
|------------------------|----------------|------------------|
| AC filters | 1.3 | 1.3 |
| AC switchyard | 10.3 | 10.3 |
| Auxiliary systems | 7.6 | 7.7 |
| Buildings | 16.2 | 16.4 |
| Cable | 494.9 | 501.2 |
| Control system | 5.6 | 10.5 |
| Converter transformer | 31.0 | 31.3 |
| DC filter | (0.0) | (0.0) |
| DC switchyard | 2.4 | 2.4 |
| Easement | 12.5 | 12.6 |
| In-house software | 3.8 | 7.6 |
| Freehold land | 3.9 | 4.0 |
| Measuring devices | (0.0) | (0.0) |
| Motor vehicles | 0.0 | 0.0 |
| Other | 31.5 | 36.5 |
| Overhead lines | 68.0 | 68.8 |
| Smoothing reactor | 1.3 | 1.3 |
| Station power supply | 0.0 | 0.0 |
| Switchyard components | 3.1 | 3.2 |
| Valve cooling | 0.4 | 0.4 |
| Valve hall | 26.7 | 27.1 |
| Total | 720.5 | 742.6 |

⁷ Because from 1 July the MNSP connection point id's (DUID) that receive dispatch targets based on bids will no longer have any bids to formulate a dispatch target. The Basslink line will need to be transitioned to a regulated line in the dispatch engine NEMDE and targets sent out based on Basslink's configuration.

Forecast capital expenditure

The AER’s draft decision indicatively approved capital expenditure of \$98.7m and requested additional information to support the proposed \$84.4 million of expenditure to replace the control and protection system.

We accept the AER’s draft decision however, given there is presently no additional information we can provide to further justify the control and protection system replacement cost, we have elected to remove phase 2 of the project from our proposed expenditure and instead include it as a contingent project. This has reduced our revised proposal capital expenditure for 2026–30 to \$14.4 million.

Draft decision
\$98.7million



Revised proposal
\$14.4 million

Comparison of the capital expenditure put forward in the revised proposal with the AER’s draft decision

| \$M Real 30 June 2026 | 2026–27 | 2027–28 | 2028–29 | 2029–30 | Total |
|------------------------------------------------------|---------|---------|---------|---------|-------------|
| AER draft decision | 24.2 | 28.7 | 28.9 | 16.9 | 98.7 |
| Less control and protection system replacement costs | 13.2 | 27.7 | 27.7 | 15.8 | 84.4 |
| Revised proposal | 11.0 | 1.1 | 1.2 | 1.1 | 14.4 |

Control and protection system replacement moved to a contingent project

The Basslink control and protection system is the suite of technologies that ensures the safe, stable, and efficient operation of the HVDC interconnector between Tasmania and mainland Australia. It continuously monitors power flows, voltage, and frequency, automatically adjusting the link’s operation to maintain system stability and protect equipment from faults. The current control and protection system will become fully obsolete and unsupported by the manufacturer from 2030.

Our updated proposal included a forecast of \$84.4 million in the 2026–30 period for the control and protection system replacement, which represents the best estimate of the project cost at this early stage.

Like many large capital expenditure projects, a significant Front-End Engineering and Design will be undertaken in conjunction with the manufacturer, Siemen’s Energy, to determine the exact scope, specification and associated costs that will appropriately accommodate the changes in network dynamics in Tasmania and Victoria, Basslink’s system architecture and its other related systems. This study will take more than six months to complete and is yet to begin.

Whilst we expect the ultimate cost of the project to be similar to this estimate, we understand the AER’s concern regarding the accuracy of the forecast costs. There is no ability to provide a more detailed cost estimate prior to the AER’s final determination in February 2026.

As a result, we have modified our regulatory approach and elected to remove the control and protection system replacement from forecast capital expenditure and instead include it as a contingent project, as allowed under Clause 6A.8.1 the Rules.

A contingent project is a necessary project consistent with the capital expenditure objectives where either the timing or cost of the project is uncertain. In particular, clause 6A.8.1(c)(5)(ii) of the Rules considers cost

Stakeholder engagement on the revised proposal capital expenditure

We flagged the likely change in treatment for stage 2 of the control and protection system replacement to our RRG in the September 2025 meeting and confirmed the proposed approach at the October 2025 meeting.

The group supported the change and raised no concerns. The only question related to the likely quantum of the project and the timeframe over which the costs would be recovered. We confirmed the expected cost remains around \$84 million at this stage and that recovery will be over a 20 year period.

uncertainty as a valid reason for a contingent project – the project is not included in forecast capital expenditure because the costs associated with the event are not sufficiently certain.

Below we set out how the control and protection system replacement is consistent with the contingent project requirements under the Rules.

The expenditure is reasonably required to achieve capital expenditure objectives

In line with clause 6A.8.1(b)(1) of the Rules, the control and protection system is reasonably required to achieve the capital expenditure objectives related to maintaining reliability, safety, and compliance with applicable standards.

The Basslink control and protection system was commissioned in 2006 and is essential for fault detection and isolation, thyristor valve control, AC harmonic filtering, and autonomous operation at 500 MW capacity. The system was designed to meet Basslink's precise specifications, with many unique components. If not replaced in 2030 or earlier, it will have exceeded the life of almost all other control and protection systems internationally prior to replacement.

The system is approaching obsolescence. The original design assumed a 20-year life, with initial replacement envisaged in 2026, midway through the design life of the thyristor valves. As an old system it has limitations, particularly in relation to cyber security and the level of support from the Operating Equipment Manufacturer (**OEM**), compared to newer systems. All the programmers involved in commissioning the Basslink control and protection system have now retired or left Siemens and the number of other staff, with the relevant system knowledge and expertise, continues to decline. In addition, the production of spares has reduced, many components are already obsolete, and the OEM has indicated they are looking to remove all support in 2030.

As the knowledge and expertise of OEM staff decreases, the ability to successfully troubleshoot system issues declines. When troubleshooting is unsuccessful, spare parts must be used, reducing the spares available. When coupled with the fact that electronics tend to fail at a certain age, rather than smoothly across their lifetime, the longevity of spares to support the system is also reduced.

All these factors point to imminent obsolescence of the existing control and protection system. Replacing the system will reduce the risk of failure and outages. The project is also required to meet obligations under the Basslink Operating Agreement with the Tasmanian Government, which mandates compliance with Good Electricity Industry Practice.

The capital expenditure not otherwise provided for

In line with clause 6A.8.1(b)(2)(i) of the Rules, the capital expenditure for the system replacement is not included in the total forecast capital expenditure for the regulatory control period.

The capital expenditure meets the threshold

The now estimated cost for stage 2 of the project is \$80.8 million, which exceeds the \$30 million threshold in clause 6A.8.1(b)(2)(iii) of the Rules.

The project and expenditure is compliant with regulatory information instruments

Clause 6A.8.1(b)(3) requires that the project and associated expenditure comply with relevant regulatory information instruments. The project documentation – including the updated business case – has been prepared in accordance with AER guidelines and includes cost forecasts for the various options and their timings, risk assessments, and lifecycle planning.

Appropriate trigger events

In line with clause 6A.8.1(b)(4) of the Rules, we are proposing trigger events that are reasonably specific and objectively verifiable, linked to increased costs or risks, and probable during the regulatory control period.

The proposed trigger event is the obsolescence of the current control and protection system and confirmed availability to move to a new suitable platform, evidenced by:

- Completion of the project Front-End Engineering and Design (Phase 1), and
- Project approval from Basslink management.

Definitions of trigger events

Completion of the Front-End Engineering and Design – The Front-End Engineering and Design is complete as evidenced by Siemen’s Energy providing the following:

- Technical documentation/ Final outcomes for the new control and protection system and associated equipment, and
- A Final Commercial Offer Submission has been received for the replacement of the control and protection system equipment and associated equipment.

Project Approval from Basslink Management – Final Investment Decision is made to approve the control and protection system upgrade by the individual or individuals within APA with the delegated authority to approve a project of the relevant cost magnitude.



Forecast operating expenditure

Our revised proposal maintains the AER’s preferred ‘Base Trend Step’ method for forecasting operating expenditure but proposes the base year be updated from 2021–22 to 2023–24, to more accurately reflect Basslink’s actual operating costs. This eliminates the need for base year adjustments, several proposed step changes and the inclusion of insurance costs as a category specific forecast.

Given the draft decision did not allow regulatory reset costs to be included as capital expenditure, these costs have been added as an operating expenditure step change in the revised proposal. The step change for the FCSPS hardware costs has also increased to align with a firmer estimate of this service cost from TasNetworks.

Compared to the draft decision, these changes increase the proposed operating expenditure by over 20 percent or \$23 million. This highlights the scale of the consequential penalty Basslink would suffer in the next regulatory period if the base year is not updated for the 2026–30 period and the Efficiency Benefit Sharing Scheme is applied.

Draft decision
\$101.0 million



Revised proposal
\$124.1 million

Comparison of operating expenditure including debt raising costs between the revised proposal and the AER’s draft decision

| \$M Real 30 June 2026 | 2026–27 | 2027–28 | 2028–29 | 2029–30 | Total |
|----------------------------------------|------------|------------|------------|------------|--------------|
| AER draft decision | 25.5 | 25.1 | 25.1 | 25.2 | 101.0 |
| Revised proposal | 30.4 | 30.5 | 31.7 | 31.4 | 124.1 |
| Revised proposal higher/(lower) | 4.9 | 5.4 | 6.6 | 6.2 | 23.1 |

Updating the base year

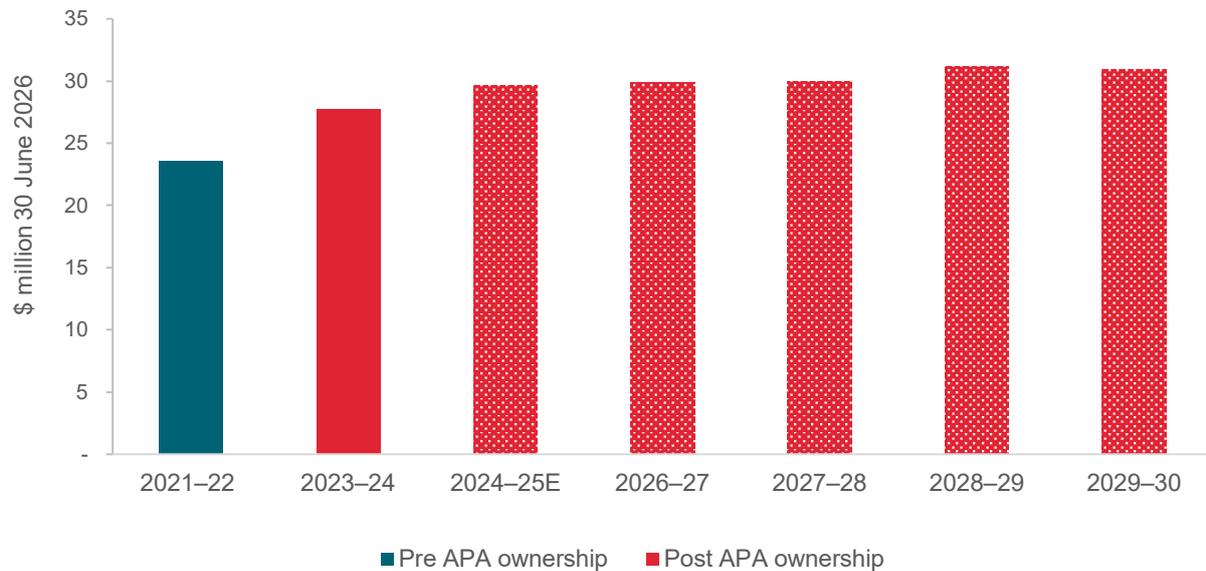
More than two years has lapsed since the original proposal was lodged with the AER in September 2023. Whilst the previously proposed 2021–22 base year was the most recent audited financial year and reflected the best estimate of Basslink’s operating expenditure at that time, it was based on data from the year prior to APA’s acquisition. As a result, it was not considered to accurately represent the true operating costs of the asset. Significant changes were expected because of the integration with APA and the improved process and risk management that resulted from becoming part of a more operationally sophisticated business.

This lack of accuracy was apparent through the number of step changes proposed, as well as the one-off adjustments to the base year. This associated uncertainty was the primary driver for Basslink proposing that the Efficiency Benefit Sharing Scheme not apply in the inaugural regulatory period.

If the more recent 2023–24 revealed costs are not used as the base for the 2026–30 forecast, then Basslink will not only under recover its costs in the 2026–30 period (as the allowance will be less than operating costs) but also face an Efficiency Benefit Sharing Scheme penalty in the following regulatory period.

As a result, and consistent with the AER’s Base Step Trend approach to forecasting operating expenditure, whereby the most recent year for which audited data is available is used as the base year, our revised proposal adopts 2023–24 as the base year. The chart below highlights the higher operating expenditure incurred on Basslink since APA acquired the asset and how this compares to the 2021–22 year used in the initial proposal.

Basslink’s relevant historic, estimated and proposed operating expenditure, pre and post APA ownership⁸



One off base year adjustments

We have reviewed the 2023–24 operating expenditure data and confirm that no adjustments are required to add or remove any costs. The base year contains no regulatory reset costs, nor any costs associated with the need to trade Basslink in the market for 2025–26.

Step changes

As outlined above, most of the previous step changes fall away as they are sufficiently incorporated into the more accurate 2023–24 base year, namely corporate operating expenditure, security of critical infrastructure cyber costs, and information and operational technology costs.

The costs for the provision of the FCSPS hardware and communication platform remain as a step change. The value has been revised from that in our updated proposal, to align with TasNetworks most recent written estimate for the service to account for their planned upgrades to the FCSPS hardware and communications platform. TasNetworks are still finalising the project and have indicated the costs will likely be higher than our current proposed step change. Given the uncertainty of this cost, over which Basslink has no control, we propose it be excluded from the Efficiency Benefit Sharing Scheme for the 2026–30 period.

A new step change has been included for forecast regulatory reset costs as these are not included in the 2023–24 base year. These costs were previously included in the capital expenditure forecast, consistent with their treatment in Basslink’s statutory accounts, however, the draft decision indicated these costs should be treated as operating expenditure.

Category specific forecasts

Given their magnitude, insurance costs were previously included as a category specific forecast in our initial and updated proposal. With the proposed change to a 2023–24 base year, we consider the level of insurance to be a sufficient forecast, so a category specific forecast is no longer required.

⁸ 2022-23 year has been excluded from the chart as it included significant costs related to Basslink’s administration and was a year of partial ownership by both entities – APA became the full owner of Basslink in October 2022.

Stakeholder engagement on the revised proposal operating expenditure

At our September 2025 RRG meeting we outlined the change in operating expenditure profile between the 2021–22 base year used in the draft decision and more recent years' data and explained the associated impact on the number of adjustments and step changes. We then asked whether we should look to update the base year as part of our revised proposal.

Whilst the group appreciated that a change would increase customer prices, it was considered to be more accurate and transparent to use the more up to date data. It would also provide better certainty by reducing the need to 'step-up' prices in the following regulatory period, though it was important to ensure the revised data was not inflated by any costs related to Basslink's 2025–26 operating model.

We subsequently presented the updated Base Trend Step outcome using 2023–24 as the base year, along with the revised step changes for FCSPS hardware costs and regulatory reset costs at our October RRG meeting. No concerns were raised with the proposed outcome, though stakeholders were keen to understand:

- The driver behind the increase in FCSPS hardware costs and whether the amount was prudent and efficient. We indicated that the original estimate was based on an estimated split of the current charge for both FCSPS and NCSPS services and that TasNetworks had since provided us with latest cost estimate for inclusion in our revised proposal.
- The efficiency of Basslink's operating expenditure compared to TasNetworks given the relative size of their asset bases and the geographic area they cover. We explained that there would be a number of reasons why a direct comparison between the entities does not make sense, and committed to adding a new section to our revised proposal to attempt to clarify these differences – see section 'Regulation of Basslink'

"I think you should be honest with it. I mean, if it doesn't accurately reflect the cost, then it needs to be updated. I mean, that's pretty obvious, isn't it or do we hide things?"

Stakeholder RRG meeting #17

"...(for customers a) reason not to update is that lower costs will be realised. If the consequence of not updating, however, is (a) 'step change' cost increase in future, then for certainty ... (I) understand why (there is a) ... need to update (the) base year.

Stakeholder email response to RRG meeting #17

The Base Trend Step outcome for our revised proposal is shown below.

Base, trend step operating expenditure outcome for the revised proposal including debt raising costs

| \$M Real 30 June 2026 | 2026–27 | 2027–28 | 2028–29 | 2029–30 | Total |
|-----------------------------------------|-------------|-------------|-------------|-------------|--------------|
| Adjusted 2021–22 base year | 27.9 | 27.9 | 27.9 | 27.9 | 111.8 |
| Price and productivity growth | 0.4 | 0.5 | 0.6 | 0.8 | 2.3 |
| Step changes | | | | | |
| – FCSPS hardware costs | 1.7 | 1.7 | 1.7 | 1.7 | 6.7 |
| – Regulatory reset costs | – | – | 1.1 | 0.7 | 1.8 |
| Category specific forecasts | – | – | – | – | |
| Debt raising costs | 0.4 | 0.4 | 0.4 | 0.4 | 1.6 |
| Updated Base, Trend, Step result | 30.4 | 30.5 | 31.7 | 31.4 | 124.1 |

Incentive schemes

We agree with the AER’s draft decision to apply both the Service Target Performance Incentive Scheme and the Capital Expenditure Sharing Scheme to Basslink and that the Demand Management Innovation Allowance Mechanism not be applied given the limited demand management opportunities available.

We did not propose application of the Efficiency Benefit Sharing Scheme to Basslink in our original proposal, due to the uncertainty as to the accuracy of the operating expenditure data. We accept its application in our revised proposal, so long as the base year is updated to reflect the now more certain costs of operating Basslink. We also propose that FCSPS hardware costs be excluded for the 2026–30 period, as TasNetworks are yet to finalise the costs for the hardware replacement project and have already indicated the costs will be higher than our current step change. Together, these changes will ensure Basslink is not unduly penalised in the subsequent regulatory period for overspending relative to an expenditure allowance that is known to be too low and currently includes uncertain costs over which Basslink has no influence.



The **Service Target Performance Incentive Scheme** provides an incentive to improve or maintain our service levels.

We agree that data for the STPIS be collected over the 2026–30 period to enable the setting of a target for the subsequent determination period (2030 to 2035).

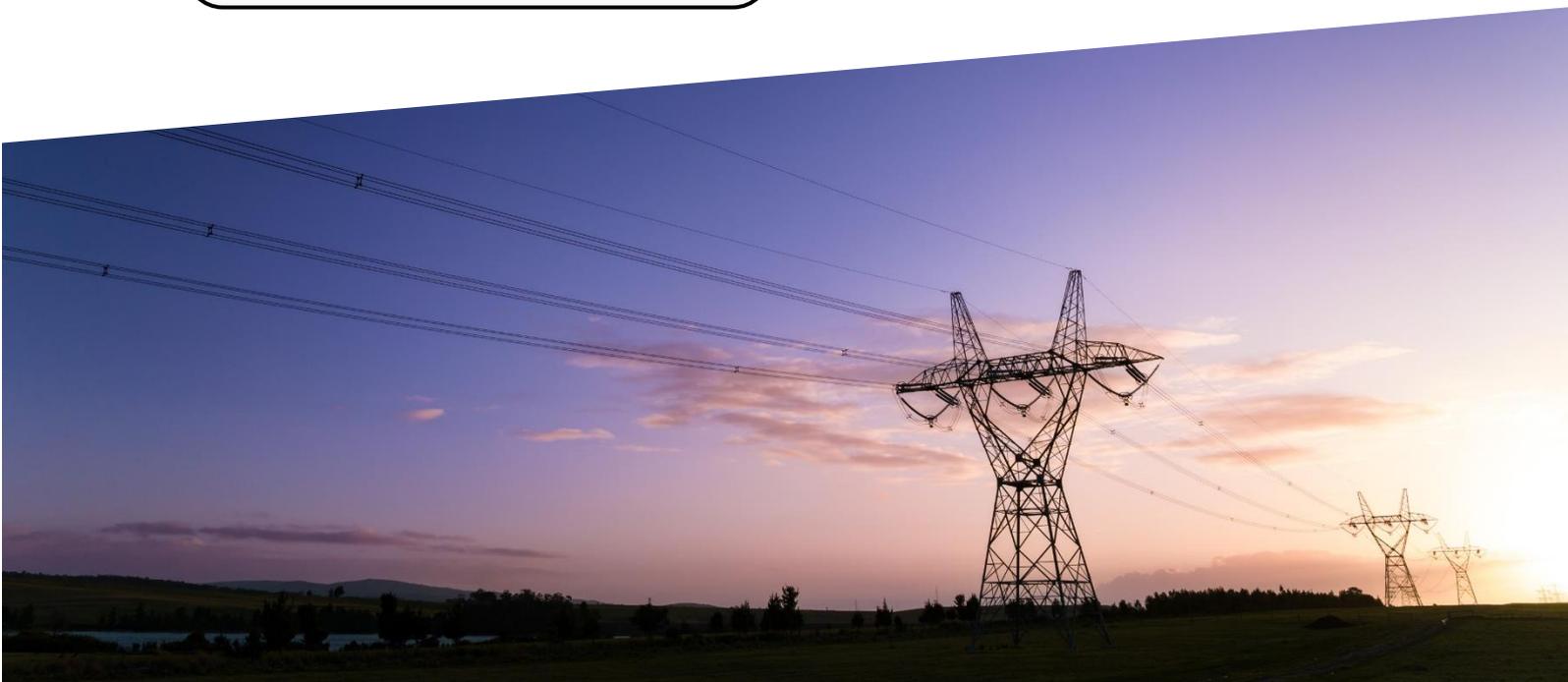


The **Efficiency Benefit Sharing Scheme** provides an incentive to improve the efficiency of operating expenditure.

We support application of this scheme **only if the operating expenditure base year is updated to 2023–24 and propose that the FCSPS hardware step change also be excluded** to ensure Basslink is not unduly penalised in the following regulatory period.



The **Capital Expenditure Sharing Scheme** provides an incentive to improve the efficiency of capital expenditure.



Cost pass throughs

We agree with the four cost pass through events accepted in the AER’s draft decision – namely insurance coverage, insurer’s credit risk, natural disaster and terrorism. However, as flagged in the draft decision, Basslink is proposing a new cost pass through event for the potential costs that may arise if the existing cable repair vessel, the CS Lodbrog, is retired during the 2026–30 period.

We appreciate that fitting out a new repair vessel is not normally the type of event TNSPs apply for a cost pass through event, however Basslink has limited options for recovering such potential expenditure given the expected cost cannot be accurately predicted or justified until the replacement vessel is identified and is too small to meet the contingent project threshold.

Our revised proposal includes the four cost pass through events accepted in the AER’s draft decision and includes an additional cost pass through for the costs that may be experienced should the CS Lodbrog subsea cable repair vessel be retired in the 2026–30 period.



Repair vessel cost pass through event

Why a cost pass through is required

The current vessel may be retired earlier than expected

Repair of the 290km long Basslink subsea cable requires specialised vessels, equipment and technicians. Basslink contracts with Alcatel Submarine Networks and Optic Marine (the owners of the CS Lodbrog) through the South Pacific Marine Maintenance Agreement (**SPMMA**). Currently, this is a collective contract between cable system providers and the cable repair vessel owner.

Basslink is one of 24 members of the SPMMA and one of only three members who use the CS Lodbrog for power cables – the other members operate in the telecommunications space. Basslink contributes less than 1% of the total contract cost.

Subsea power cables are significantly different to fibre optic cables. While fibre cables are generally about 20mm in diameter, Basslink’s submarine cables are 120 mm in diameter. As a result, we need to procure vessel specific equipment which fits the requirements of our heavier, larger and less flexible cables.

At the end of each previous SPMMA contract, the repair vessel has been changed. For the 2008 to 2017 period, it was the Ill De Rae, from 2017 to 23 the Reliance and from 2023 it was the CS Lodbrog. While changing and refitting vessels each contracting period is not ideal, the cost of each specialist equipment

installation has been more than offset by the savings and advantages of being part of the SPMMA and having a repair vessel located in the Australasian and Pacific regions.

The current SPMMA contract with the owners of the CS Lodbrog is for 5 years with a 2 year option – with the five years ending in March 2028. However, the owner of the CS Lodbrog has indicated their intention to withdraw the ship from service prior to the end of the current contract and provide a new vessel to provide a telecommunications cable laying and repair service in the South Pacific.

The timing and fit-out costs for a new vessel are unknown

The vessel owner has indicated to APA that they will look at incorporating power cable requirements in the new ship design if Basslink, and most other SPMMA members, sign an agreement to use the new ship for a period of seven years. Whilst it can be expected that the majority of the SPMMA members will agree to the new vessel, if the owner does not propose material variations to the operating terms, this remains uncertain at this stage. So, the exact timing of the vessel withdrawal and whether the new ship will successfully incorporate power cable equipment and at what cost remains unclear.

While Basslink's \$17 million award winning fit-out of the CS Lodbrog has attempted to efficiently maximise the amount of equipment that can be transferred from one vessel to the next, there will be some expenditure required to fit-out the next vessel, so it is capable of undertaking electricity subsea cable repairs.

There is no other regulatory mechanism available

These potential costs can be envisaged, but their exact quantum and timing is unknown. This means they cannot be adequately justified for inclusion in the forecast capital expenditure.

However, the expected costs for this project do not meet the contingent project threshold of \$30 million or 5% of maximum allowable revenue. This is due to the Rules applying the same threshold to all transmission networks, regardless of their relative size and level of expenditure.

So, whilst we appreciate that cost recovery through a nominated cost pass through is a last resort, it remains the only mechanism available to Basslink to be able to recover such costs, should the event arise.

There could be additional adverse consequences for Basslink

Basslink's total proposed capital expenditure is so small, it is unable to accommodate any sizeable, unexpected expenditure. This means that if Basslink incurs such costs and a cost pass through is not allowed, it will not only forgo a return on the potential expenditure over the 2026–30 period, but it can also expect to be penalised under the Capital Expenditure Sharing Scheme in the next period. Such an outcome would be at odds with the Capital Expenditure Sharing Scheme's efficiency intent, especially as the costs have been envisaged as part of the 2026–30 regulatory proposal.



How the nominated cost pass through event meets the Rules requirements

A nominated cost pass through is allowed under clause 6A.7.3(a1)(5) of the Rules and the relevant *nominated pass through event considerations* have guided the development of our proposed event.

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Whether the nature or type of event can be clearly identified at the time the determination is made for the network</p> | <p>Our proposed scope for the cost pass through event recognises that the outcome will only occur if the CS Lodbrog is retired in the 2026–30 regulatory period. The event is clearly identifiable.</p> <p><u>Proposed pass through event</u></p> <p><i>A Repair Vessel Cost Pass Through occurs if the CS Lodbrog (the existing subsea cable repair vessel) is retired in the 2026–30 period and expenditure is incurred in removing subsea cable repair equipment from the existing subsea cable repair vessel, installing or adjusting in preparation for installation subsea cable repair equipment on a successor subsea cable repair vessel.</i></p> <p><u>Definitions</u></p> <p>subsea cable repair equipment – equipment used to identify, expose, raise, lower, cut, cap or repair the Basslink subsea cable.</p> <p>subsea cable repair vessel – a vessel capable of installing and deploying the subsea cable repair equipment.</p> <p>successor subsea cable repair vessel – any vessel that is used as a subsea cable repair vessel by Basslink that is not the CS Lodbrog.</p> |
| <p>Whether a prudent service provider could reasonably prevent an event of that nature or type from occurring or substantially mitigate the cost impact of such an event</p> | <p>Basslink is unable to reasonably prevent the event from occurring</p> <p>Basslink cannot prevent the owner from retiring the current vessel nor, as a minor party to the SPMMA (less than 1% of the contract cost), can it influence the new vessel decision.</p> <p>If the replacement vessel is capable of laying and repairing subsea cable fibre optic cable, the SPMMA will likely agree to the change as it will meet their majority needs. Each of the historic vessels supplied under the SPMMA have required Basslink to undertake expenditure to make the vessel capable of repairing the heavier and less flexible subsea electricity cable.</p> <p>This means the cost cannot be avoided if the CS Lodbrog is retired earlier than expected and the replacement vessel is to be capable of repairing Basslink’s subsea cable.</p> <p>Basslink is unable to substantially mitigate the cost impact</p> <p>Whilst the nature of the equipment required for electricity subsea cable repair is well understood, the fit-out costs are vessel specific, so the costs cannot be determined until the replacement vessel is known.</p> <p>The cost for Basslink to engage a repair vessel on an ongoing basis outside the SPMMA framework is cost prohibitive.</p> <p>Engaging a repair vessel on an as needs basis carries risk that the vessel is not available when required, and/or that it is in European or North American waters at the time a fault occurs. This will add significant time delays to the repair and breach the Amended Basslink Operating Agreement. This risk was visibly demonstrated in the repair of the 2015 Basslink cable fault.</p> <p>Basslink will approach the fit-out in the most prudent and efficient manner possible, especially as the CS Lodbrog fit out was designed to maximise the amount of equipment that can be transferred from one vessel to the next. In addition, the AER will review the expenditure for prudence and efficiency prior to approving any pass through costs.</p> |
| <p>Whether the relevant service provider could reasonably insure against the event or whether the event can be self-insured</p> | <p>There is no commercial insurance product available to cover such expenditure and the uncertainty regarding timing and the quantum of expenditure makes it impossible for Basslink to calculate a premium for self-insurance.</p> |

Frequency Control System Protection Scheme (FCSPS) costs

Basslink is currently negotiating the FCSPS costs, that allow the link to operate at its full capacity, rather than restricting energy flows to 144 MW in each direction. These network system control ancillary service costs will be paid by customers, through the pass through mechanisms, under the [‘Improving security frameworks for the energy transition’](#) rule change.

The FCSPS trips loads or generators following a trip of Basslink on import or export respectively, to ensure Tasmanian frequency remains within the frequency operating standard.

Basslink will procure and contract these services prior to 1 July 2026 and recover the expected payments through its transmission pricing each year. A true-up at the end of the year will ensure that only the cost of actual payments are passed through to customers.

There is a separate process that allows a transmission network to apply to the AER to make an advance determination regarding the treatment of proposed system security network support payments and Basslink is planning to utilise this process. You can read more about the AER’s approach to ex-ante determinations on system security network support payments in their [guideline document](#).



Pricing methodology

The pricing methodology sets out how the Maximum Allowed Revenue will be recovered consistent with the requirements of Part 6A of the National Electricity Rules.

Basslink has attached an updated draft Pricing Methodology (see attachment 5) that includes the necessary changes identified in the AER's draft decision.



Glossary

| Term | Explanation |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2026–30 | Basslink's first regulatory period that will run for only four years, rather than five, beginning 1 July 2026 and ending 30 June 2030 |
| AEMO | Australian Energy Market Operator |
| AER | Australian Energy Regulator – the body responsible for regulating Basslink as a TNSP |
| Basslink | Basslink Pty Ltd |
| CPI | Consumer Price Index |
| Draft decision | The AER's 12 September draft decision on Basslink's revenue determination |
| FCSPS | Frequency Control System Protection Scheme – the costs related to ensuring the operation of Basslink does not breach the Tasmanian system frequency standard. The scheme consists of both a hardware cost, payable by Basslink to TasNetworks, for which an estimate has been included in the revised proposal and the costs for contracting the services which are yet to be confirmed. |
| HVDC | High voltage direct current |
| initial proposal | Basslink's original September 2023 revenue proposal to the AER |
| Km | kilometre |
| MNSP | Market Network Service Provider |
| OEM | Operating Equipment Manufacturer |
| RAB | Regulated Asset Base – The RAB consists of the adjusted total value of all regulated assets and is used in determining the allowance for depreciation and for a return on capital invested. It is one of the most important elements in the building block revenue model, driving about 70% of Basslink's revenue requirement. |
| revised proposal | This document, which outlines Basslink's response to the AER's draft decision |
| RRG | Regulatory Reference Group – our group of key stakeholders with whom we have engaged since November 2022 |
| the Rules | The National Electricity Rules |
| TNSP | Transmission Network Service Provider |
| updated proposal | Basslink's August 2025 'Overview of the updated revenue proposal', that summarised the engagement and all the associated changes since the initial proposal was lodged in September 2023 |
| WACC | Weighted Average Cost of Capital |

Document listing

Revised revenue proposal

1. Revised Revenue Proposal – Public
2. Overview of the Revised Revenue Proposal – Public
3. Confidentiality claims register – Revised Proposal – Public

Attachments

- Attachment 1 – Revised Proposal PTRM – Public
- Attachment 2.1 – Revised Proposal Opening RAB – Part 1 – Public
- Attachment 2.2 – Revised Proposal Opening RAB – Part 2 – Public
- Attachment 2.3 – Revised Proposal Opening RAB – Part 3 – Public
- Attachment 2.4 – Revised Proposal Opening RAB – Part 4 – Public
- Attachment 3 – Revised Proposal Forecast Capex Model – Public
- Attachment 4 – Revised Proposal Forecast Opex Model – Public
- Attachment 5 – Revised Pricing Methodology – Public
- Attachment 6 – Historic Capitalisation of Regulatory Reset Costs – Public
- Attachment 6.1 – PwC – Capitalisation advice – Public
- Attachment 7 – Control and Protection System Phase 1 – Public
- Attachment 7.1 – Control and Protection System Phase 1 – Confidential