electranet

Northern Transmission Project Early Works Contingent Project Application

Principal Application document

21 January, 2026

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We are pleased to submit our Contingent Project Application for initial early works (CPA1b) for Northern Transmission (NTx) Project (formerly Mid North South Australia Renewable Energy Zone (REZ) Expansion).

NTx was first identified in 2023 and further developed in ElectraNet's 2025 Transmission Annual Planning Report as the interest in loads rapidly increased from 2022. That culminated in AEMO identifying, in the 2024 ISP, a need to establish NTx to:

1. support the expected increase in renewable generation north of Adelaide to support growing demand in Adelaide,
2. ensure adequate network capacity and supply for large industrial loads, and
3. alleviate congestion on renewables from the Mid North to rest of the NEM.

By making NTx actionable AEMO has required ElectraNet to publish a Project Assessment Draft Report (PADR) by 3 July 2026.[1] ElectraNet has been working towards the publication of that report since late 2024, focussing on detailed engagement and consultation between ElectraNet and its Consumer Advisory Panel, the South Australian Government, AEMO and many other stakeholders as ElectraNet has worked through the early stages of the project.

AEMO raised a question over the future of NTx in the Draft 2026 Integrated System Plan (ISP), saying that "while the identified need for [NTx] remains, further analysis is required…" Therefore, AEMO has indicated that NTx may not be on the Optimal Development Path (ODP) and, as such, may not be identified as an actionable project in the 2026 ISP.

Despite the question raised by AEMO, ElectraNet's analysis indicates the benefit NTx will provide to all those who produce, consumer and transport electricity will exceed the cost of delivering the project. ElectraNet is working closely with AEMO to conduct the analysis necessary to resolve this question.

Had AEMO not raised this question, ElectraNet would now be making an early works application in the order of $150m. The purpose of early works is to meet delivery deadlines and improve cost estimates. The smaller request allows us to improve cost estimates and minimises risk that delivery will be delayed. This is prudent given the current uncertainty. This would have funded activities included in this application, as well as increased scope for the Early Contractor Involvement (ECI), long lead-time materials to ensure production slots and delivery timeframes are secured and commencement of design for distribution under-crossings.

Given AEMO's uncertainty, it is appropriate to modify the approach, though it must also be acknowledged that, at present, NTx remains an actionable project. The approach we propose in this application has been designed to ensure that NTx remains deliverable if identified as actionable in the 2026 ISP. This approach also ensures the minimum cost investment, in the event that the project does not retain its actionable status.

[1] In the 2024 ISP the PADR was required by 1 December 2025, but this was subsequently amended by the AER.

Early works

Past application

On 28 March 2025, ElectraNet made the first of at least two proposals for 'early works' expenditure in accordance with clause 6A.9.3(b) of the National Electricity Rules. The AER approved that application on 19 June 2025. The funding approved in the 2025 application enabled ElectraNet to pursue stakeholder engagement, land use planning, land acquisition and project development, which had previously been identified as early works by AEMO. It enabled those activities and commitments to the end of March 2026.

This application

This is ElectraNet's second early works funding application for NTx. It builds on the first application and proposes funding for the following activities, albeit that the quantum is smaller than it would have been had AEMO not raised questions over the future actionability of NTx. The application covers activities associated with:

- Stakeholder engagement
- Land Use planning and acquisition
- Development and environmental approvals, including an Environmental Impact Statement (EIS)
- Project development
- Procurement activities

The breakdown of categories and proposed costs can be found in Table 1.

Table 1 – Proposed Costs by Category [2]

Category	Total ($m nominal)
Program and project management to prepare for the delivery of NTx and support key workstreams	$2.6m
Legal, Risk and Governance direct project work	$0.6m
Network Planning and Regulatory Approval	$2.9m
Stakeholder and community engagement and consultation programs, community and landholder and stakeholder relations	$2.6m
Cultural Heritage engagement, agreements and survey	$3.3m
Land and easement acquisition (initial identification, consultation and option negotiation), strategic land purchases	$10.9m
Environmental impact assessments	$7.9m
Procurement strategy and initial execution (pre-construction contracts including ECI) and Project Estimation	$1.3m

[2] Unless otherwise specified, all expenditure forecasts in this Application are expressed in nominal terms, all revenue forecasts are expressed in nominal terms, consistent with our 2024 to 2028 Revenue Determination

Category	Total ($m nominal)
Engineering, technical designs and specifications	$2.0m
Delivery, GIS Systems, Innovation and Strategy, early site assessments	$1.5m
Contractor Early Contractor Involvement (ECI)	$7.2m
Subtotal	**$42.8m**
CPA1a reconciliation including deferred activities and realised savings	$-13.3m
TOTAL	**$29.5m**

For each category of expenditure, ElectraNet has developed plans focused on delivering the best outcome for customers in accordance with the definition of early works expenditure.

Future applications

The activities funded by this application will see substantial progress in the areas described above.

The next step will depend on what final conclusion is reached in the Project Assessment Draft Report (PADR), due July 2026, followed by the Project Assessment Conclusions Report (PACR) planned for late 2026.

Assuming NTx is identified as an actionable project in the 2026 ISP and the PADR identifies a credible option where the benefits exceed the costs, ElectraNet anticipates a further early works application will be made. This would be expected later in 2026.

That application is expected to relate to ongoing activities in relation to the above activities as well as the procurement of long lead time materials, commencement of early activities including the undergrounding of distribution network under-crossings, and the execution of options to secure easements prior to construction commencement. These activities are a combination of the activities withdrawn from this CPA1b application to delay consumer exposure and those that require additional planning and estimation before further work is undertaken, as they are dependent on outcomes from the initial early works.

Following that we anticipate a final contingent project application, not early works, to cover all remaining works to the conclusion of NTx.

Stakeholder engagement in relation to this application

ElectraNet is committed to meaningful, high quality, personal and early engagement with stakeholders, particularly with local community and consumer representatives. This is a key element of our stakeholder engagement principles that will increase the likelihood of the project and process being accepted by the broader community.

Engagement with Consumers though ElectraNet's Consumer Advisory Panel has been ongoing and supported by the establishment of a project specific Reference Group. In preparing this application, ElectraNet presented options relating to timing and value for this CPA. Feedback was received that has shaped the value of this application and scope inclusions.

1 Introduction

We are pleased to submit a Contingent Project Application for early works for the 'Northern Transmission Project' (NTx) – previously referred to as the 'Mid North South Australia REZ Expansion' project.

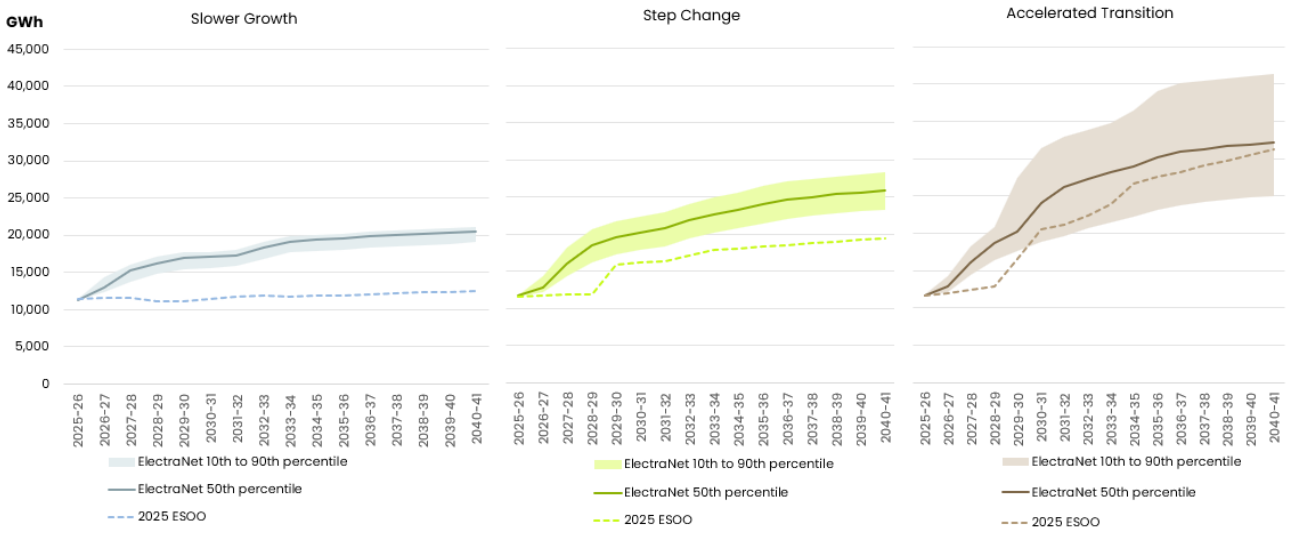
1.1 Background

In recent years there has been unprecedented activity leading to the likely growth in industrial load in the Upper Spencer Gulf region. The South Australian Government has identified this as a once-in-a-generation opportunity, which it is intent on seizing for the benefit of all South Australians.[3] Furthermore in its recent Electricity Development Plan, the SA Government stated that the State's electricity demand is forecast to double over the next decade.[4]

As Figure 1 shows, both ElectraNet and AEMO expect that South Australia's electricity demand will most likely increase materially over the next decade. While the amount of growth depends on the scenario considered, ElectraNet has a consistent view that demand growth will exceed that forecast by AEMO, regardless of scenario. It remains uncertain to some extent but it appears clear that growth will be material.

Despite these complexities, the growth is driven by the South Australian Government's economic strategy to capitalise on the global green transition. The Government is focused on the advantages of SA's vast renewable energy resources to the manufacture of products such as green iron and critical minerals.

Figure 1 – ElectraNet and AEMO forecasts of South Australian energy consumption – various scenarios 2020-21 to 2040-41 (GWh)



South Australia's expected demand growth can only happen if there is sufficient generation to meet it. To enable this, transmission network solutions first need to be in place to unlock

[3] Government of South Australia, "State Prosperity Project", p.3, https://www.stateprosperity.sa.gov.au/images/State-Prosperity-Project-Document.pdf

[4] Government of South Australia, "South Australia Electricity Development Plan", p.4 available at South Australian Electricity Development Plan 2025

renewable generation sources. In turn this requires timely network investment to ensure that the necessary generation capacity will be in place to supply emerging loads at least cost.

Therefore, AEMO identified the need for development of the mid-north REZ – now known as the Northern Transmission Project - in the 2024 ISP and recommitted to the identified need, though not necessarily to NTx, in the draft of the 2026 ISP

1.2 Early works application

This CPA relates to activities which will:

- Continue stakeholder engagement
- Continue land use planning and acquisition
- Commence development and environmental approvals (including an EIS)
- Commence preliminary line design to support approvals and land and easement acquisition activities
- Continue project development
- Continue necessary procurement activities
- Further develop key risks and external factors that will impact NTx's overall costs, to ensure that Stage 2 costs are prudent and efficient
- Progress activities on the critical path to deliver NTx by AEMO's July 2029 target delivery date

We are committed to delivering NTx at the lowest sustainable, whole of lifecycle cost to maximise benefits to consumers.

Section 4.3 of this CPA explains the relevant trigger events for Stage 1b (early works) and demonstrates that they have occurred.

In accordance with clause 6A.8.2 of the Rules, this CPA seeks the AER's approval to amend the capex allowance in our 2023-28 Revenue Determination and our revenue requirements and Maximum Allowed Revenue (MAR) for the 2023–28 regulatory period, so that we can recover the efficient costs of the works described in this application.

It is anticipated that subsequent applications will be made for funding relating to:

- Stage 1c (early works) – this application covers two primary needs, continuation of activities deferred as a result of minimising activities in light of the actionability status that requires further analysis and the associated uncertainty that introduces. It also covers commencement of early activities that are not able to be scoped and estimated at this stage of NTx, as they are dependent on outcomes from the Stage 1b (early works) activities, specifically the early stage of the ECI process. This essentially covers:
    - Early Contractor Involvement, detailed design, project construction planning
    - Procurement of long lead-time materials
    - Completion of land and easement options
    - the undergrounding of distribution network under-crossings
    - the execution of options to secure easements prior to construction commencement.
- Stage 2 (construction) – this final application will cover all remaining works to the conclusion of NTx.

1.3 Compliance with the National Electricity Rules

This CPA and the supporting documents establish the matters in clause 6A.8.2(f) of the National Electricity Rules (Rules), being:

- The forecast capex in the context of the contingent project (this application excludes an opex allowance requirement)
- The forecast of the total capex for NTx meets the threshold as referred to in clause 6A.8.A1(b)(2)(ii)
- The estimates of incremental revenue are reasonable
- The dates are reasonable.

1.4 Project governance

NTx reports on several fronts to ensure suitable governance, including a Steering Committee, Working Group and standard project reporting structures according to ElectraNet's Project Management Methodology (SPARQ).

1.4.1 Steering Committee

The purpose of NTx Steering Committee is to:

- Provide regular communications with the Executive Management Team (EMT) on project status and progress
- Provide a forum for NTx Director/Project Manager to communicate with key ElectraNet stakeholders as a group on important project aspects and seek endorsement, approval, direction and guidance as required
- Provide a forum to communicate, discuss and proactively manage aspects that have the potential to impact NTx including people, health and wellbeing, environment, safety, employees, community, landholder, traditional owners, external stakeholders, public opinion, customer management and compliance
- Provide a platform for information sharing so that there is a common understanding on the status of the major projects, including any challenges and obstacles, recommendations and key risks faced
- Provide a platform for communication of project capex profiles and an interface with the Enterprise Portfolio Management Group (EPMG) to discuss broader portfolio optimisation opportunities
- Facilitate timely and strategic decision-making for NTx as required.

The Steering Committee consists of the CEO, ElectraNet Executive Managers and a Chair who is independent of the Delivery business unit. Membership includes - Chief Executive Officer, Executive Capability (Chair), Executive Network, Executive Delivery, Executive Assets, Executive Assurance, Executive Strategy, Chief Financial Officer, Executive Capability and Head of Major Projects.

1.4.2 Working Group

The purpose of NTx Working Group is to:

- Provide a platform for information sharing so there is a common understanding on the status of NTx, the issues and key risks faced

- Facilitate timely issue and risk escalation and resolution for NTx
- Provide direction to NTx team as required
- Assist in the removal of obstacles that may impact the successful delivery of NTx.

The Working Group contains ElectraNet Senior Leaders with direct involvement in NTx deliverables. Membership includes - Head of Major Projects, Project Director, Head of Regulation and Corporate Affairs, Manager Commercial, Procurement & Estimating, Manager Network Planning, Manager Sustainability, Lead Land & Approvals, Manager Network Capability, Senior Legal Counsel and Head of Project Engineering.

1.5 Confidentiality

ElectraNet claims confidentiality in relation to the detailed build-up of our expenditure by early works category.

1.6 Structure of this document

The remainder of this document is structured as follows:

- Chapter 2 describes NTx and the need to progress it
- Chapter 3 sets out the capital forecast for the early works activities
- Chapter 4 sets out the regulatory requirements for this CPA
- Chapter 5 sets out our proposed revenue.

2 Project Overview

2.1 Identified need

The identified need for the Northern Transmission Project is defined in the ISP as follows:

The identified need for Mid North South Australia REZ Expansion is to increase power system capability of the transmission network to:

- *support the expected increase in renewable generation north of Adelaide to support growing demand in Adelaide;*
- *ensure adequate network capacity and supply for large industrial loads; and*
- *alleviate congestion on renewables from the Mid North to rest of the NEM.*

2.2 Credible options

ElectraNet is applying the Regulatory Investment Test for Transmission (RIT-T) to the Northern Transmission Project. Part of the analysis to be done is to identify credible options that are capable of meeting the identified need.

In completing this analysis ElectraNet will compare both non-network and network options.

2.2.1 Non network options

AEMO called for nomination of non-network options by 18 September 2024. The following responses were received:

- **Confidential Response** – Proposal for a BESS in the mid-north with a charging capacity of less than 30MW. The battery size and its point of connection at 132 kV make its possible impact on the Mid-North project minimal. There may be opportunities for this non-network solution to supplement the network solution. This will be determined during the RIT-T process.
- **Confidential Response** – Proposal for a BESS and Solar PV facility in the mid-north with expected final rating between 1000MW and 1200MW connected at 275 kV. This proposal is not considered to be a non-network alternative to the network solution, instead is anticipated to be complementary.
- **Lodestone Mines (Load)** - This submission does not propose a non-network option but endorses the Mid-North northern REZ Expansion project, specifically the transmission proposed between Bundey and Cultana. Lodestone mines is developing a large magnetite mining complex in the Olary Flats, which is located approximately 330 km north-northeast of Adelaide. Lodestone plans to start operating the mines using off-grid, behind the meter power solutions but as operations ramp-up it expects in 5-7 years to require a connection to the South Australian network to ensure sustainability, reliability and longevity of the electrical supply.

While not directly relevant to non-network options in the RIT-T, ElectraNet notes that, in late 2025, the South Australian Government commenced a market process seeking tenders for developing long-duration dispatchable energy capacity under its Firm Energy Reliability Mechanism (FERM). There is a real potential for initiatives identified through this process to provide services that would meet the identified need, which is part of the reason AEMO has raised the question of actionability of NTx.

2.2.2 Network options

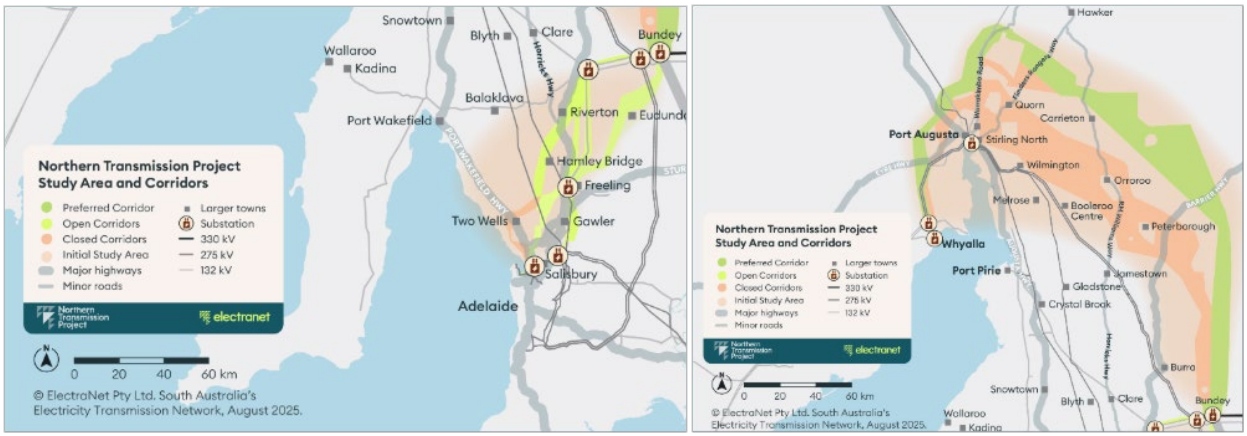
Two new possible transmission connections are being considered as part of the NTx project, both of which originate from Bundey substation near Robertstown.

Specifically, these are:

- NTx South from Mid North (Bundey, near Robertstown) to Greater Adelaide
- NTx North from Mid North (Bundey) to Whyalla.

These connections serve complementary purposes in addressing South Australia's electricity network needs and are illustrated in Figure 2.

Figure 2 – Map of Corridor options for NTx South (LHS) and preferred corridor for NTx North (RHS)



Within these two broad options, various routes and line capacity options are under consideration as summarised in Table 2. ElectraNet has been developing options for these transmission line alignments. Route planning has progressed such that NTx North has identified a preferred corridor, whereas NTx South is still considering corridor options.

As a result of community feedback, ElectraNet is now exploring potential new locations to the east of the existing corridor options for NTx South. Early engagement is currently underway in these new areas to better understand land use requirements and assess whether a different corridor option could provide a better project outcome that's more aligned with community interests and priorities

Table 2 – Options under consideration

Option	Summary	Total rated line capacity
S1	Bundey to Para 275 kV	2,000 MW
S2	Bundey to Bolivar/Dry Creek 275 kV	2,000 MW
S3	Bundey to Bolivar/Dry Creek 330 kV	2,800 MW
S4	Bundey to Bolivar/Dry Creek 500 kV	7,000 MW
N1	Bundey to Cultana East 275kV	2,000 MW
N2	Bundey to Cultana East 330kV	2,800 MW
N3	Bundey to Cultana East 500kV	7,000 MW

Insofar as capacity is concerned, ElectraNet will consider the appropriate voltage of transmission lines that may be required. Broadly this is driven by the extent of the load growth forecast. More load requiring more electricity will drive higher voltages. This includes considering options up to 500 kV.

In determining the appropriate voltage, ElectraNet will also consider whether it is in the long-term interests of electricity consumers to provide for future growth. For instance, ElectraNet's recent Eyre Peninsula project was designed to be upgraded from 132 kV to 275kV without requiring tower works if and when the need arises.

2.3 Need for early works

This project was included as one (1) of five (5) transmission projects in the 2024 Integrated System Plan that have progressed to actionable status. A Project Assessment Draft Report is now required by July 2026, with a target in service date of July 2029.

These timeframes are extremely short for a major transmission project. To meet them, ElectraNet must maintain the momentum that has been built over the past year.

In the ISP, AEMO identified the following five categories of early works activities for NTx: [5]

1. Stakeholder engagement – implementing meaningful engagement programs, including engagement with Traditional Owners and land councils, landholders, government, local communities, councils, environmental groups and other impacted stakeholders.
2. Land use planning – planning approval activities, cultural heritage studies, environmental impact assessments and other necessary approval activities.
3. Land acquisition – secure access to enable investigations; and acquire land and/or negotiate binding land options.
4. Procurement activities – contractor engagement, procurement of equipment with long lead times, tendering activities to refine accuracy of cost estimates, and pre-construction works.
5. Project development – Additional activities required to support timely delivery of NTx, for example some project management and design activities.

This is ElectraNet's second early works funding application for NTx. The first enabled activities to commence in these five areas.

This application builds on the first and proposes funding for the following activities, albeit that the quantum is smaller than it would have been had AEMO not raised questions over the future actionability of NTx. The need for the current application is, in broad terms, to maintain the momentum that has been built and to keep the project on track while the question of actionability is resolved:

Stakeholder engagement:

- Continue stakeholder and community engagement to inform project development and build social acceptance for NTx
- Continue environmental and statutory approvals

[5] AEMO, Appendix 5. Network Investments, Appendix to the 2024 Integrated System Plan for the National Electricity Market, June 2024, p.41, available from https://aemo.com.au/-/media/files/major-publications/isp/2024/appendices/a5-network-investments.pdf?la=en

- Develop shared community benefits approach
- Continue engagement with Traditional Owners, progress surveys, heritage management plans and Native Title agreements
- Progress opportunities for the use of Australian Steel for transmission structures, green concrete, other sustainability improvements and worker accommodation that can be re-purposed as regional housing.

Land Use planning and acquisition:

- Continue landowner engagement, negotiation and agreements via option agreements where these are incomplete
- Continue easement acquisition activities
- Finalise transmission line routes and substation locations
- Submit Foreign Investment Review Board approvals for land purchases
- Complete ecology assessments
- Commence Environmental Impact Statement development
- Plan Significant Environmental Benefits (state-based offsets managed by the Department for Environment and Water) and Environment Protection and Biodiversity Conservation Act offset (Federal-based offsets managed by the Department for Climate Change, Energy, the Environment and Water) requirements and strategies.

Procurement activities:

- Undertake ECI to develop and validate the prudent and efficient construction cost, schedule and risk allocations for Stage 2 (construction).

Project development:

- Estimate the prudent and efficient costs for project delivery works including ongoing community and stakeholder engagement, progressing all approvals, easement acquisition, scoping, undertaking design, procurement of long lead-time materials
- Progress electrical design, network capability studies, load flow analysis, defining design criteria and network integration requirements
- Progress design via an Early Contractor Involvement (ECI) process to scope the work package activities that were defined during the initial early works phase, progress delivery methodologies and detailed plans planning for construction works to achieve AEMO's target delivery date
- Commence long lead time materials procurement for high risk and long-lead time materials with a risk assessed schedule for placement of orders
- Identify, explore and manage NTx risks. This will allow us to mitigate and/or diversify NTx's risks so that residual risk costs included in our Stage 2 application (which will include the bulk of NTx's costs) are as low as possible
- Finalise market benefits analysis and RIT-T submissions, progress network planning and scoping, network capability assessment including various studies to ensure optimum outcomes, project estimating and engineering scoping and actively manage risk via early identification and mitigation.

3 Early works activity description and cost estimates

This chapter:

- Explains the scope of the early works that are the subject of this CPA and, to place this in context, those expected to be the subject of past and future applications
- Provides an overview of the target outcomes of this phase of early works
- Explains our forecasting methodology for, and the forecast cost of, the early works activities.

Table 3 details the estimated costs of our proposed early works activities. These are entirely capex activities and include labour and third-party activities. The initial submission, initial early works CPA1a, covered resourcing until the end of March 2026.

Further information on our forecast and the scope of our early works activities is provided in section 3.2 Forecasting Approach and section 3.3 Proposed Activities. The scope for the activity and the basis of the estimates basis is provided below. A schematic providing further detail as to the activities that this application covers is in Appendix A.

Table 3 – Early Works Activities – Scope and Estimates

Description	Scope and Estimates
Project Management and support TOTAL $2,601k	Project Director, Project Manager, Project Administration, Schedule and Cost Control resources, project expenses, vehicle costs, travel and accommodation
Legal, Risk and Governance TOTAL $627k	Legal, Risk, Insurance and Finance time directly spent on Foreign Investment Review Board applications, Construction contracting assessments. Development of D&C Contracts, Native Title Agreements, Cultural Heritage Agreements, Land Access Licenses, Easement Option Agreements
Network Planning, Regulatory Approval and Network Capability studies TOTAL $2,885k	Network Planning, Scope and Architecture development, Economic Analysis and scenario modelling, Regulatory Test analysis and development, Network Technical studies development to confirm scope and network impact assessment
Corporate Affairs, Engagement and Stakeholder Management TOTAL $2,642k	Engagement lead, Stakeholder relations, Government relations, Communications and Media, Graphic Design Strategy development, External Working/Reference Groups, final route and site assessment reports Engagement resources, Local community and landholder liaison resources

Description	Scope and Estimates
Cultural Heritage and Sustainability TOTAL $3,310k	Sustainability, Cultural Heritage resources Traditional Owner Group (Kaurna, First Peoples, Ngadjuri, Nukunu, Barngarla, Adnyamathanha and Adnyamathanha, Ngadjuri, Wilyakali Overlap) surveys and agreements, Field heritage coordination resources, monitoring of ground disturbing geotechnical investigations
Land and Easements TOTAL $10,812k	Land access planning and coordination, Property research and landowner management, stakeholder management Affected landowner consultation resources, preparation of access licenses Valuations, Option agreements preparation, fees and payments Cadastral Survey Strategic land identification and option agreements
Environmental and Approvals TOTAL $7,883k	Environmental and Approval Advisor resources Ecology surveys, EPBC assessments and referral commencement, Flora and Fauna assessments Planning assessments, preparation and submission, development of Environmental Impact Statement (EIS)
Contracts, Procurement and Estimating TOTAL $1,295k	Procurement and Contracts resources to support external engagements, contracting strategy development and execution, D&C Contract development and negotiation Optioneering and Detailed Estimating, independent estimate verification
Engineering TOTAL $1,981k	Lines Design Manager resources to support Preliminary Transmission Line Design Substation, Lines, Cables, Secondary Systems and Telecommunications Engineer, Drafting resources for preliminary scoping Engineering studies to support project scoping for Lightning, Earthing, Insulation Coordination, Concept Line Designs Pre-qualification factory inspections (towers), PLS-CADD Licenses Preliminary Tower Design (excluding fabrication, prototype assembly, factory inspections, full scale tower testing)
Project Support TOTAL $1,522k	GIS Analysts, GIS Data, Mobile GIS Devices, IT Infrastructure costs, Asset Management and Strategy resources Investigation of alternative structure types and alternative footings concept designs

Description	Scope and Estimates
Initial Contractor ECI Total $7,238k	Initial ECI activities including Lines Preliminary Design
Subtotal $42.8m	
CPA1a Reconciliation TOTAL -$13,295k	CPA1a activities that either have not commenced or have been deferred and realised savings against original submission
TOTAL $29.5m	

3.1 Scope of early works

The early works proposed to be funded by this application are in the following categories:

- Network Planning and Regulatory Approvals
- Development Approvals, Environmental Impact Statement
- Land and Easement acquisition, including landowner negotiation, partial easement options and strategic land acquisition
- Engagement and Consultation
- Cultural Heritage Agreement negotiation, heritage surveys
- Initial ECI activities including Lines Preliminary Design

In recognition of the further work being done to ascertain whether NTx will be actionable in future, ElectraNet has opted to defer several early works activities that would otherwise be pursued now. Funding for these activities will be sought once the PADR has been published assuming that NTx is included in the 2026 ISP as an actionable project. The activities are:

- Substation ECI
- Full Transmission Line ECI (other than preliminary design activities)
- Commitment to long lead-time materials (to ensure lead-times are managed and manufacturing slots are reserved)
- Infrastructure Sustainability Council (ISC) Certification
- Commitment to environmental offsets that NTx will be required to procure/contract.

3.2 Forecasting approach

We have used the following forecasting techniques to derive our capex forecasts:

- **Engaged service providers** – we have used committed costs where external engagements have already been committed
- **Forecast labour** – we have estimated internal resource effort and used current labour rates
- **Firm quotes** - we have sought market quotes for some external work packages where the scope is sufficiently well defined to procure these services
- **Budgetary quotes** – we have sought market quotes for a number of external work packages
- **Estimates** – we have used market knowledge and experience to estimate market costs for a number of external work packages.

3.2.1 Procurement On-Cost

In its June 2025 determination, the AER queried whether our estimated procurement on costs were genuinely incremental and project specific. Following discussion, it was concluded that they were, but more clarity in future applications was requested. On this occasion we have not included an estimate for procurement on costs.

3.3 Proposed Activities

The proposed activities for this CPA are summarised below.

3.3.1 Project governance and management

Project management and leadership across all workstreams as detailed below. The scale of NTx requires a Project Director supported by Program Managers for each of the major delivery streams, substations and lines. Current and additional internal resources will manage development activities and prepare for the delivery of NTx.

A robust governance structure has been established for NTx, including:

- A Working Group of Senior Managers across the business to manage reporting, progress and escalation
- A Steering Committee of Executive Managers.

This governance structure is critical to maintain the schedule, including careful identification and management of critical path activities prudently and efficiently.

3.3.2 Legal, risk and governance support

Internal labour and external legal advice to support stakeholder engagement, land and easement acquisition, cultural heritage, Native Title, environmental approvals, procurement, D&C Contract development and other work activities.

3.3.3 Network planning, market modelling and economic analysis

RIT-T including document preparation, modelling and economic analysis and the development of expert reports. These activities are needed to prepare our regulatory submissions and seek the necessary regulatory approvals required before NTx can proceed. These activities and specialist resources will assist to drive cost efficiency and reduce risk costs. These activities are required to meet AEMO's target delivery date.

3.3.4 Network assessment, static and dynamic network assessment and development

Steady state (load flow) modelling and analysis to determine transfer capability for the preferred option to confirm scope, and present options based on technical ranking for assessment considering cost estimates and market modelling.

These activities are needed in Stage 1 to enable finalisation of technical scope allowing ECI and design activities to progress - this is required to meet AEMO's target delivery date.

3.3.5 Stakeholder and community engagement

Stakeholder and community engagement plans have been developed to ensure effective engagement with local communities (including indigenous communities), landowners, stakeholders, government agencies, councils, and businesses throughout the development and delivery of the Northern Transmission Project. These plans outline activities that need to be adequately resourced to be successful in building stakeholder support for NTx and meet stakeholder consultation expectations and requirements.

ElectraNet recognises recent learnings from other major transmission projects in Australia and our stakeholder management approach is based on industry best practice principles, incorporating engagement and consultation processes outlined by the International Association of Public Participation (IAP2) Spectrum of Public Participation. Strategic elements fundamental to the engagement approach will broadly include clearly demonstrating project need and benefits, including NTx's role in unlocking economic prosperity for South Australians, improving network resilience, ensuring a transparent process and authentic and personal engagement.

These activities have commenced and remain ongoing. ElectraNet has undertaken direct engagement with landholders, Traditional Owners, community members, councils and regional organisations to support transparent and inclusive decision-making. As expected in the early stages of project development, some community questions have been raised about corridor selection and the approach to engagement. Engagement activities need to continue to build stakeholder acceptance of NTx.

The Stakeholder Management Plan has a number of sub-plans that will be developed, including Community Benefit Plan, Local Industry Participation Plan, Aboriginal Engagement Plan, Media and Communications Plan, and a Government and Regulatory Engagement Plan.

Further development of labour plans, including plans for engagement of apprentices, trainees, Aboriginal people and Aboriginal businesses are to be developed during the ECI with contractors throughout 2026.

3.3.6 Cultural Heritage engagement, agreements and survey

ElectraNet has a long-standing commitment to acknowledging and respecting Aboriginal and Torres Strait Islander cultures in the construction, operation and maintenance of our assets.

Engagement with traditional owners is a key component of the engagement strategy for NTx. Traditional Owner Groups potentially impacted include:

- Kaurna
- First Peoples of River Murray and Mallee
- Ngadjuri
- Nukunu
- Barngarla
- Adnyamathanha
- Adnyamathanha, Ngadjuri, Wilyakali Overlap area.

Activities covering negotiation, development and execution of agreements, undertaking field surveys of the entire line route and substation sites will be ongoing. This will be supported by field heritage coordination resources.

3.3.7 Land and easement acquisition

Easement Acquisition for transmission lines - NTx requires the acquisition of easements over a substantial area of land that will impact many landholder properties. Land access is a critical step to enable construction. This involves:

- Determining the compensation to be paid to each landholder
- Engagement with landowners directly to inform route selection, and progress easement acquisition and site investigation works, including geotechnical investigations, ecology studies and line design and planning
- Undertaking surveys to identify and protect places of cultural heritage significance along the route.

Land purchase for substations - NTx requires acquisition of land for new and expanded substations necessary to deliver the required scope. Valuation and acquisition costs, including options to acquire land parcels, are necessary to enable efficient planning and to ensure access for the necessary infrastructure. This involves:

- Securing land to enable expansion of existing substations at Cultana East and Cultana substations
- Identifying sites for new substations so that designs can be undertaken to match the available site location, size and geotechnical conditions, whilst ensuring good access for the proposed infrastructure to meet NTx need.

These activities need to be completed before we can complete design and construction, and therefore need to proceed as the next part of the early works. Our previous experience with land acquisition indicates that having more time to negotiate with land holders reduces anxiety, costs for easement acquisition and the potential for compulsory acquisition.

This means that completing land acquisitions related activities in Stage 1 will lower the risk costs in Stage 2 and will assist to meet the target delivery date.

3.3.8 Development Approval and Environmental Impact Assessment

Development of the environmental approvals submissions, Development Approval (DA), and related activities need to commence as soon as practicable. A project of this scale is likely to require referral under the *Environment Protection and Biodiversity Conservation 1999 Act (EPBC)*, and an Environmental Impact Statement (EIS). Key activities include:

- Environmental approvals development including seasonal route surveys, environmental scoping report, technical and route option assessments
- Development of EIS documentation.

These activities and specialist resources are needed in this early works application to meet the target delivery date. Further, the Environmental Approvals will set out conditions of approval, including any actions we need to undertake to mitigate NTx's environmental impact. The development of an Environmental Impact Statement and subsequent approvals are on the critical path for this project.

ElectraNet was proposing to include gaining Infrastructure Sustainability Council (ISC) certification as part of the planning and delivery of this significant project. In light of the uncertainty introduced in the draft 2026 ISP, we have not included ongoing work for this

certification until there is more certainty. Costs for this certification are not included in the scope of this submission but would be expected to be included in the next .

Substantially progressing the environmental approvals in Stage 1 will therefore reduce risk costs in Stage 2.

3.3.9 Procurement planning, readiness and contract establishment

An ECI process is necessary to ensure appropriate design and planning is undertaken prior to Stage 2. During early Stage 1, we identified preferred contractors to engage for construction and are in the process of planning commencement of the ECI works. For this application only early preliminary transmission line design and support activities are proposed, these are required to support critical activities including development approvals, environmental approvals (EIS) and land and easement acquisition.

Once there is more certainty around NTx, full funding for all ECI works will be sought as part of the next application (Stage 1c (early works)).

There will be ongoing requirements to support the RIT-T process, specifically project estimating activities in light of developing and refinement of scope and delivery plans.

Additionally, there is a requirement for ongoing procurement support related to external engagements to deliver all services for the Stage 1b (early works) and planning for subsequent phases including Stage 1c (early works) and Stage 2 (Construction).

3.3.10 Engineering assessment, concept design, early impact analysis, option identification and assessment, technical scope definition

Significant project engineering is required to successfully deliver significant transmission network projects like NTx. This early works stage requires concept and preliminary Substation and lines design management, substation engineering, lines engineering, cable engineering, secondary systems engineering, telecommunications engineering and drafting resources. This includes but is not limited to activities related to scoping, concept designs, specifications, consultant management, and overarching technical due diligence. These activities are ongoing and needed to support not only the technical designs, but also land and easement acquisitions, development approvals, environmental approvals and cultural heritage approvals.

Additionally, there will be expert engineering studies to support project scoping activities including Lightning performance, Earthing design, Insulation Coordination and Concept Line Designs. Engineering activities will then continue through Stage 1b (early works) supporting the limited scope Early Contractor Involvement.

Engineering support and design reviews are required when all ECI works are in progress. The level of effort required to support the ECI's is significant, the resourcing for this has been aligned with the scope included in each submission (both this submission Stage 1b (early works) and future submissions Stage 1c (early works) and beyond).

3.3.11 Innovation identification and review

An efficient and prudent project delivery needs to include potential innovations to facilitate efficient delivery.

Investigations into alternative structure types, alternative footings concept designs will set the scene for final line design and therefore needs to progress as soon as possible. These investigations are included in this current submission, Stage 1b (early works).

Some of the innovations for development and assessment have been deferred until there is more certainty around NTx. Full funding for all ECI works, including drone stringing and aerial services investigations, will be sought as part of the next early works application .

Further innovations will be discussed and developed with the ECI contractor(s) once they are selected and engaged.

3.3.12 Project Support, GIS management

The use of Geographical Information Systems (GIS) is a key tool for multiple work streams, specifically Stakeholder Engagement, Cultural Heritage, Environment and Land Acquisition activities. Resources and external data sources as well as project inputs are key components of GIS services that assist successful project delivery. The resources are currently actively engaged and need to continue to support the project activities.

3.4 Future early works applications

As discussed above, a further early works CPA application is anticipated in mid-to-late 2026, if the 2026 ISP includes NTx as an actionable project and the PADR supports ongoing activity. This is anticipated to provide funding for:

- continuation of project planning and management
- option selection
- cost estimation
- scope and design development
- land and easements planning and acquisition
- stakeholder engagement
- environmental approvals
- cultural heritage approvals
- activities that have been deferred from this submission such as Early Contractor Involvement (ECI) activities
- procurement of long lead-time materials
- commencement of early activities including the undergrounding of distribution network under-crossings
- execution of options to secure easements prior to construction commencement.

The full scope of ECI engagements will progress all design activities not currently included in this application, as well further develop innovation and cost reduction activities and undertake scope refinement and technical design. Future applications will include the entire ECI scope to progress design, price, schedules and management plans to ensure that NTx's Stage 2 construction cost is prudent and efficient. This process will also ensure we are ready to start construction as soon as possible after the approval of our Stage 2 application, in order to meet AEMO's target delivery date of July 2029. The procurement activities must be completed prior to construction commencing. Construction will be subject to successful completion and approval of the RIT-T, the approval of our Stage 2 application and our Board making a positive final investment decision (FID).

3.5 Capex threshold

Clause 6a.8.1(b)(2)(iii) of the Rules provides that early works funding can only be provided for amounts higher than the lower of $30 million or five per cent of MAR. The first year of ElectraNet's current regulatory control period was FY2023. Table 4 shows that ElectraNet's MAR that year was $396.2 million, of which five per cent is approximately $19.2 million. Therefore, the current application for approximately $29 million, satisfies this threshold.

Table 4 – Stage 1a (initial early works) activities – scope and estimates

AER Decision First year MAR	5% of MAR	Contingent Project Threshold	Pass / Fail
$396.2m	$19.2m	$30m ($nominal)	Pass (as capex > $19.2 million)

4 Regulatory Requirements

The regulatory requirements for early works contingent project applications are contained in:

- Clause 6A.8.2 of the Rules
- The following AER documents:
  - Process Guideline for Contingent Project Applications
  - Guidance Note for Regulation of actionable ISP projects
  - Cost Benefit Analysis Guideline.

The key requirements are outlined below. Tables 4 and 5 show how we have satisfied the regulatory requirements.

4.1 Rules requirements

This is an application to amend a revenue determination to include a contingent project that is an actionable ISP project. As such it must comply with clauses 6A.8.2(a), (a1) and (b) of the Rules. Those requirements are set out in Table 5 below, with a reference to whereabouts in this document each is addressed.

Table 5 – Compliance with Rules Requirements

	NER, clause 6A.8.2(b) requirements
(1) an explanation that substantiates the occurrence of the trigger event	Section 4.3
(2) a forecast of the total capex for the contingent project	Chapter 3
(3) a forecast of the capital and incremental opex, for each remaining regulatory year that the Transmission Network Service Provider considers is reasonably required for the purpose of undertaking the contingent project	Chapter 4
(4) how the forecast of the total capex for the contingent project meets the threshold as referred to in clause 6A.8.A:1(b)(2)(ii)	Chapter 4
(5) the intended date for commencing the contingent project (which must be during the regulatory control period)	Chapter 3
(6) the anticipated date for completing the contingent project (which may be after the end of the regulatory control period)	Chapter 3
an estimate of the incremental revenue that the Transmission Network Service Provider considers is likely to be required to be earned in each remaining regulatory year of the regulatory control period as a result of the contingent project being undertaken as described in subparagraph (3), which must be calculated: ▪ in accordance with the requirements of the post-tax revenue model referred to in clause 6A.5.2 ▪ in accordance with the requirements of the roll forward model referred to in clause 6A.6.1(b) ▪ using the allowed rate of return for that Transmission Network Service Provider for the regulatory control period as determined in accordance with clause 6A.6.2	Chapter 5

	NER, clause 6A.8.2(b) requirements
▪ in accordance with the requirements for depreciation referred to in clause 6A.6.3 ▪ on the basis of the capex and incremental opex referred to in subparagraph (b)(3).	

4.2 AER Guideline requirements

Table 6 lists the CPA requirements in the AER's Guidance Note and where we have addressed these in our Stage 1 Application.

Table 6 – Compliance to AER Guidelines

AER Guideline requirement	Reference in Application
Stakeholder engagement (section 3.4)	Chapter 3
Overview of stakeholder engagement approach and feedback received	Chapter 3
Project governance (section 1.5)	Chapter 1
Project governance framework and processes, including key roles, accountabilities and responsibilities	
Project (including risk) reporting, monitoring and evaluation arrangements	
Any supporting assurance arrangements	
Project Plans	Section 3 provides a high-level delivery schedule, with key milestones and timeframes
High level delivery schedule, with key milestones and timeframes	
Key dependencies and decision points for the project	
Project resourcing and capability arrangements	
Risk management framework and plan	
Established arrangements for post completion project review	
Procurement strategy, processes, and outcomes	Section 3 provides an outline of our procurement process for Stage 1a (initial early works), some activities are planned in Stage 1b (early works)
Overview of procurement strategy, including scope of work packages	
Tender Evaluation Plan(s), including roles and responsibilities of evaluation team N/A	
Overview of procurement process(es), including summary of activities and timeline N/A	
Outcomes of procurement activities N/A	
Tender Evaluation and Probity Report(s) N/A	
Risk assessment	The risk assessments will be developed during Stage 1a (initial early works) and Stage 1b (early works)
Detailed risk register containing identifiable projects risks	
A summary of the efficient mitigation steps taken for the relevant risks	
An assessment for each residual risk	

AER Guideline requirement	Reference in Application
Assessment of the risks captured in contractors' scopes of work	Contractor scope of work and risk is not included in this the Stage 1 CPA, this will be provided in a future CPA submission once ECI has progressed.

4.3 Trigger events

A Transmission Network Service Provider may submit an early works CPA notwithstanding that the provider has not commenced, or completed, the RIT-T for the relevant actionable ISP project.

The Northern Transmission Project is an actionable ISP project as outlined in the 2024 ISP.

This CPA and the supporting documents and models establish the matters in clause 6A.8.2(f) of the Rules have been satisfied, being:

- that the relevant trigger events to be eligible to submit a Stage 1 Early Works CPA for Mid-north REZ Expansion project have been met
- the forecast of the total capex for the project meets the threshold as referred to in clause 6A.8.A1(b)(2)(ii).

4.4 Project timing

The 2024 ISP identifies an in service date of July 2029 for NTx.

The construction period is expected to be approximately two (2) years. Therefore, meeting the July 2029 date specified in the ISP would require construction to commence no later than July 2027. This timing is optimistic however NTx team is advancing NTx as quickly as reasonably practical without compromising diligence ensuring that the outcomes are optimal for the NEM.

The PADR submission date for NTx is 3 July 2026. This activity and all supporting activities on NTx must proceed in order to achieve the required timing. Before construction can commence, ElectraNet must complete:

- Development Approvals
- Environmental approvals
- Land and Easement acquisition
- Cultural heritage approvals.

In respect of cultural heritage approvals, five (5) Traditional Owner groups will potentially be impacted. ElectraNet is committed to working with each of these groups to engage, assess, discuss and negotiate jointly-beneficial outcomes. As much time as possible should be allowed for engagement, agreements, survey and design participation.

Many of the activities above involve interactions with people in communities who may be unfamiliar with electricity transmission and reluctant to see it in their area. Early engagement with stakeholders and these communities to understand and plan around areas of concern and opportunity enables NTx to understand and address these matters in the early planning stage has commenced.

Ensuring open and transparent communication with the affected communities reduces the risk of misinformation causing project delays. Incorporating community and stakeholder feedback into the planning phase also increases the likelihood of NTx and the associated processes being accepted by the relevant communities. This broader stakeholder engagement is discussed further in section 4.5.

Work has commenced in relation to these activities and will need to be accelerated to ensure completion in time for construction to commence as early as reasonably practical. This requires funding.

An Early Contractor Involvement (ECI) and detailed design process needs to be completed before construction commencement. The ECI is planned to commence in June 2026, delayed from the original planned commencement in April 2026, with necessary early concept design and activities to support critical path activities including environmental approvals and land and easement acquisition commencing April 2026.

Technical scoping and specification activities need to commence to provide opportunity for the ECI and Detailed Design activities to be successful, enabling construction commencement with solid and defined scope.

4.5 Stakeholder engagement

ElectraNet is committed to meaningful, high quality, personal and early engagement with stakeholders, particularly with local community and consumer representatives. This is a key element of our stakeholder engagement principles that will increase the likelihood of NTx and the associated processes being accepted by the broader community.

NTx's engagement and broader development is led by five guiding principles:

- Respectful and meaningful engagement
- Protecting land and place
- Delivering tangible benefits
- Transparent decision-making
- Value for money

Our six engagement objectives support these:

1. Community acceptance of a fair and transparent process
2. Community awareness of ElectraNet's role in the clean energy transition, project justification, outcomes, risks and benefits
3. Engagement opportunities are accessible and inclusive for diverse audiences
4. Strong and trusted relationships formed with local communities and businesses
5. Communities are involved in creating and delivering lasting social, economic and environmental benefits
6. Community engagement enhances ElectraNet's ability to deliver reliable and sustainable electricity services

Delivery of a social legacy that fosters community trust and support for NTx and ElectraNet. ElectraNet has undertaken comprehensive investigations and engagement to inform early planning and corridor selection for NTx, including consideration of community and stakeholder

feedback on corridor options, costs, benefits, environmental factors, land use planning and land access. These investigations and engagement are ongoing.

ElectraNet published a Community and Stakeholder Engagement Plan (CSEP) for NTx in June 2025. The CSEP outlines a staged approach to engagement to support NTx as it progresses through the phases.

ElectraNet has been engaging with consumers about NTx since 2024. This has primarily been via ElectraNet's Consumer Advisory Panel (CAP) and the NTx Reference Group (NTx RG). The NTx RG consists of members of the CAP who report back to the CAP.

Engagement with the CAP and NTx RG has mainly focused on demand forecasts, cost estimation and community engagement activities, including inviting feedback on the engagement approach.

In relation to this Application, ElectraNet has discussed the implications of AEMO raising questions over the future of NTx with the Consumer Advisory Panel in November 2025. At that time, ElectraNet described the approach that had been intended, which was a contingent project application for early works to the tune of approximately $150 million. Given the current uncertainty, ElectraNet put forward two alternative options, each materially smaller than the original intention.

The three options presented were:

1. Defer CPA1b until the Project Assessment Draft Report (PADR) and 2026 ISP have both been published
2. Proceed now with an application to allow NTx to progress with residual to be applied for after PADR and final outcome of 2026 ISP is known (approx. $50M now)
3. Proceed as per the initial delivery plan, which would provide adequate funds to develop the project (approx.. $150M – presented for completeness but not supported by ElectraNet).

ElectraNet summarised the trade-off it is facing - while the project could simply be put on hold while the ISP question is resolved, this would risk causing disruption and cost to the affected communities if the project is later resumed, which ElectraNet considers likely.

Therefore, as discussed throughout this application, ElectraNet considers it prudent to continue with activities necessary to maintain community relationships and keep NTx on track while the uncertainty is resolved. At the same time, ElectraNet acknowledges that, if NTx is not actionable going forward, the cost incurred in developing it to date, and in future, will be of limited value to consumers.

Given this trade-off ElectraNet sought advice from the CAP as to how it would prefer ElectraNet to proceed, noting that the decision would remain ElectraNet's to make.

Shortly after the meeting discussed above and a subsequent follow up meeting with the CAP's NTx Reference Group, the CAP wrote to ElectraNet saying that it is 'reluctantly comfortable' with a hybrid of the two alternative approaches ElectraNet had put forward.

The CAP's preferred option, which it named Option 1.5, is one that allows NTx to progress "without full commitment", enabling the following: [6]

[6] CAP Response // NTx CPA1b // 03 December 2025

- Adequate continued momentum on the project
- Delivery of key activities
- Ongoing consumer engagement
- Greater certainty around the corridors
- Activities possible with current funding (to June 2026)
- Engagement and negotiations regarding land acquisition for easements
- Community interface and engagement
- Limited support for contractor readiness (avoiding loss of momentum) as the CAP noted that Option 2 only reduced the delay by 4 months.

The CAP's key concern was uncertainty as to whether future demand will eventuate, and at what time. ElectraNet is currently supporting the CAP in obtaining independent advice on these matters.

Another important concern was to ensure that the funding that had already been approved was applied appropriately. In this respect, ElectraNet has advised the CAP that the total cost forecast for this application works is approximately $42.8 million, with $13.3 million drawn from CPA1a underspend and $29.5 million sought in this application.

The CAP also preferred that this application be delayed until ElectraNet's publication of the Project Assessment Draft Report for NTx.

ElectraNet has considered the CAP's preferences carefully and at senior levels. As is clear from this application, many aspects of the CAP's preferences have been adopted, in particular the quantum. ElectraNet is not, however, comfortable with delaying this application for the PADR as this would put project delivery and community relationships at undue risk.

5 Forecast Revenue and impact on customers' bills

5.1 Proposed revenue for this application

This section sets out our incremental revenue forecast for the initial early works, having regard for clause 6A.8.2(b)(9) of the Rules.

We are seeking an adjustment to our capex allowance relating to the 2025/26 and 2026/27 regulatory years. It is proposed that these revenues will flow through in the remainder of the 2023-28 regulatory control period. As the AER will likely not make its determination on our Stage 1b application prior to the publication of the 2026/27 transmission prices, additional revenue for this year will be included in 2027/28 tariffs using the T-1 and T-2 adjustment methodologies as per our approved pricing methodology.

Therefore, this section shows:

- The impact to unsmoothed revenue (i.e. the Aggregate Building Block Revenue Requirement (ABBRR)) over the 2023–28 regulatory period
- The impact to MAR (or smoothed revenue) over the 2023–28 regulatory period.

Table 8 sets out the incremental MAR for initial early works for the 2023-28 regulatory period. This has been calculated using the AER's final decision PTRM updated for the 2024-25 Return on Debt. The resulting impact is $0.72m ($m 2022-23) in total for the 2023-28 regulatory period, or an additional $0.36m per annum for 2026/27 and 2027/28.

Table 7 - Incremental ABBRR

$m 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
AER PTRM ABBRR	385.46	413.66	406.61	421.16	401.51	2,028.39
Revised ABBRR	385.46	413.66	406.61	420.71	402.71	2,029.14
Increment	-	-	-	-0.46	1.20	0.75

Table 8 - Incremental MAR

$m 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
AER PTRM MAR	384.96	410.61	409.81	411.72	411.72	2,028.81
Revised MAR	384.96	410.61	409.81	412.08	412.08	2,029.53
Increment	-	-	-	0.36	0.36	0.72

5.2 WACC

We have calculated the incremental revenue for the initial early works using the same WACC assumptions as those adopted by the AER in its 2023-28 Revenue Determination, updated for the 2024-25 return on debt averaging period. This is consistent with the requirements of clause 6A.8.2(b)(4)(ii) of the Rules.

5.3 Debt and equity raising costs

We have utilised the PTRM to calculate the increment to Debt and Equity Raising costs based upon the same assumptions as those adopted by the AER in its 2023-28 Revenue Determination, updated for the 2024-25 return on debt averaging period.

5.4 Asset lives

We have allocated our forecast capex for the initial early works across regulatory asset classes, as detailed in our Capex Forecasting Methodology, provided as an attachment to this Application. Capex is depreciated in the PTRM using the standard asset lives used in the AER's 2023-28 Revenue Determination, except for equity raising costs.

The applicable standard asset lives are set out in Table 9.

Table 9 - Asset Lives

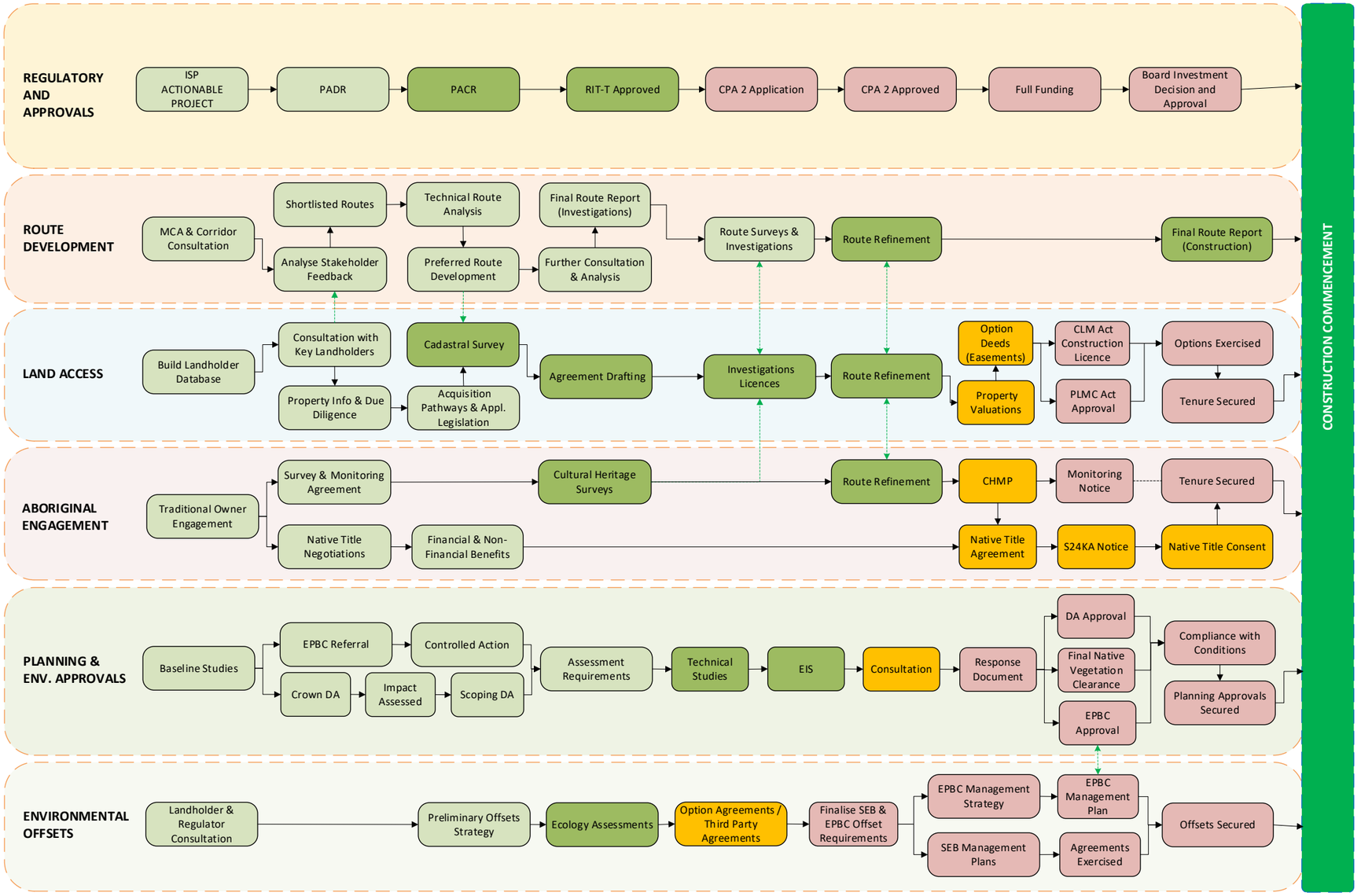
Asset Category	PTRM asset life
Easement	Not applicable
Land	Not applicable
Substation Primary Plant	44.8
Transmission lines - Overhead	55

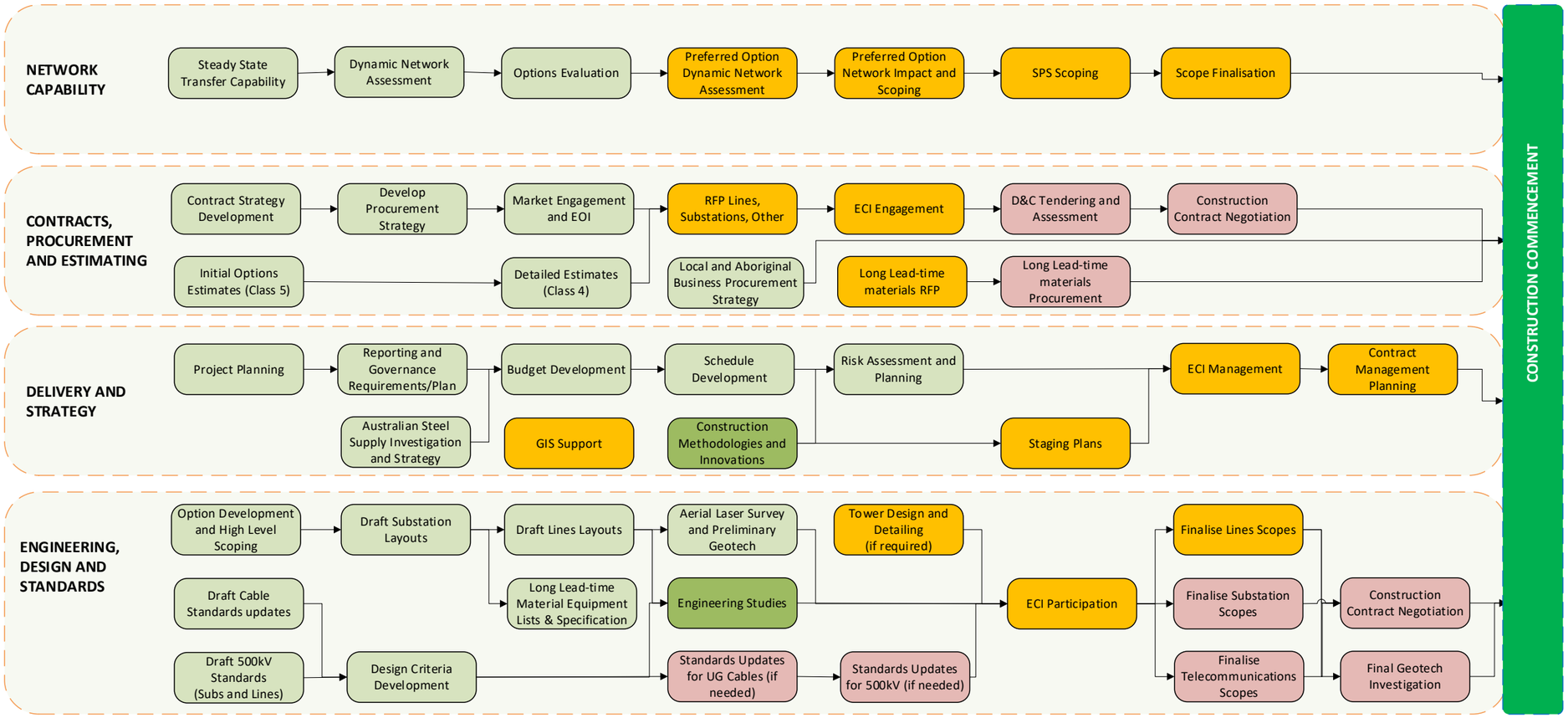
5.5 Impact on customer's bills

In line with the price path calculations in the PTRM, and reflecting the same assumed energy as in the AER's final determination PTRM, the inclusion of the early works for the NTx Project will take average costs per MWh of energy in 2026-27 from $31.63 ($ real 2022-23) to $31.66 - an increase of $0.03.

Appendix A Activity scope

This identifies activities included in this application (green), activities that are partially included in this application (yellow) due to their ongoing nature or where development of requirements and scope as part of the early works may require further development, and activities that will be included in future applications (red) once requirements and scope are more well defined.


REGULATORY AND APPROVALS
ISP ACTIONABLE PROJECT
PADR
PACR
RIT-T Approved
CPA 2 Application
CPA 2 Approved
Full Funding
Board Investment Decision and Approval
ROUTE DEVELOPMENT
MCA & Corridor Consultation
Shortlisted Routes
Analyse Stakeholder Feedback
Technical Route Analysis
Preferred Route Development
Final Route Report (Investigations)
Further Consultation & Analysis
Route Surveys & Investigations
Route Refinement
Final Route Report (Construction)
LAND ACCESS
Build Landholder Database
Consultation with Key Landholders
Property Info & Due Diligence
Cadastral Survey
Acquisition Pathways & Appl. Legislation
Agreement Drafting
Investigations Licences
Route Refinement
Option Deeds (Easements)
Property Valuations
CLM Act Construction Licence
PLMC Act Approval
Options Exercised
Tenure Secured
ABORIGINAL ENGAGEMENT
Traditional Owner Engagement
Survey & Monitoring Agreement
Native Title Negotiations
Cultural Heritage Surveys
Financial & Non-Financial Benefits
Route Refinement
CHMP
Native Title Agreement
Monitoring Notice
S24KA Notice
Tenure Secured
Native Title Consent
PLANNING & ENV. APPROVALS
Baseline Studies
EPBC Referral
Crown DA
Impact Assessed
Controlled Action
Scoping DA
Assessment Requirements
Technical Studies
EIS
Consultation
Response Document
DA Approval
Final Native Vegetation Clearance
EPBC Approval
Compliance with Conditions
Planning Approvals Secured
ENVIRONMENTAL OFFSETS
Landholder & Regulator Consultation
Preliminary Offsets Strategy
Ecology Assessments
Option Agreements / Third Party Agreements
Finalise SEB & EPBC Offset Requirements
EPBC Management Strategy
SEB Management Plans
EPBC Management Plan
Agreements Exercised
Offsets Secured
CONSTRUCTION COMMENCEMENT


NETWORK CAPABILITY
Steady State Transfer Capability
Dynamic Network Assessment
Options Evaluation
Preferred Option Dynamic Network Assessment
Preferred Option Network Impact and Scoping
SPS Scoping
Scope Finalisation
CONTRACTS, PROCUREMENT AND ESTIMATING
Contract Strategy Development
Develop Procurement Strategy
Market Engagement and EOI
RFP Lines, Substations, Other
ECI Engagement
D&C Tendering and Assessment
Construction Contract Negotiation
Initial Options Estimates (Class 5)
Detailed Estimates (Class 4)
Local and Aboriginal Business Procurement Strategy
Long Lead-time materials RFP
Long Lead-time materials Procurement
DELIVERY AND STRATEGY
Project Planning
Reporting and Governance Requirements/Plan
Budget Development
Schedule Development
Risk Assessment and Planning
ECI Management
Contract Management Planning
Australian Steel Supply Investigation and Strategy
GIS Support
Construction Methodologies and Innovations
Staging Plans
ENGINEERING, DESIGN AND STANDARDS
Option Development and High Level Scoping
Draft Substation Layouts
Draft Lines Layouts
Aerial Laser Survey and Preliminary Geotech
Tower Design and Detailing (if required)
Finalise Lines Scopes
Draft Cable Standards updates
Long Lead-time Material Equipment Lists & Specification
Engineering Studies
ECI Participation
Finalise Substation Scopes
Construction Contract Negotiation
Draft 500kV Standards (Subs and Lines)
Design Criteria Development
Standards Updates for UG Cables (if needed)
Standards Updates for 500kV (if needed)
Finalise Telecommunications Scopes
Final Geotech Investigation
CONSTRUCTION COMMENCEMENT

electranet