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Australia's energy infrastructure partner

Pricing Methodology

Basslink Revised Revenue Proposal 1 July 2026

Contents

Glossary

ACRONYM	MEANING
AARR	Aggregate Annual Revenue Requirement
Vicgrid	Australian Energy Market Operator
AER	Australian Energy Regulator
ASRR	Annual Service Revenue Requirement
CNSP	Co-ordinating network service provider
NER	National Electricity Rules
TNSP	Transmission network service provider
TUOS	Transmission use of system

The AER has adopted the following definitions for the purposes of the *guidelines* only:

Term	Definition
Contract agreed maximum demand	means the agreed maximum demand negotiated between a *TNSP* and a *transmission customer.*
Current metered energy offtake	means metered *energy* measured at a *connection point* in the current *billing period*.
Current metered maximum demand offtake	means metered maximum demand measured at a *connection point* in the current *billing period*.
Directly attributable	in relation to *transmission* assets refers to assets that are used or required to provide the relevant pricing *category of prescribed transmission service*.
Guidelines	means the *pricing methodology guidelines*.
Historical metered energy offtake	means metered *energy* measured at a *connection point* in the corresponding *billing period* two years earlier.
Historical metered maximum demand offtake	means metered maximum demand measured at a *connection point* in the corresponding *billing period* two years earlier.

1. Introduction

Basslink is a 370km long HVDC electricity interconnector between Victoria and Tasmania. Basslink starts at the Loy Yang switchyard in Gippsland (South-East 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 11km via a high-voltage overhead transmission line to the George Town substation.

Basslink is owned by Basslink Pty Ltd which is 100% owned by APA. APA is a company listed on the Australian Stock Exchange.

Clause 6A.25.1(a) of the *National Electricity Rules* (NER) requires the AER to develop, in accordance with the *transmission consultation procedures, guidelines* relating to the preparation of a proposed *pricing methodology* by a *TNSP*.

In this pricing methodology the words and phrases presented in italics have the meaning given to them in the glossary; or, if not defined in the glossary, in the NER.

Its role is to answer the question ‘who should pay how much' in order for a transmission business to recover its costs. To do this, a pricing methodology consists of a 'methodology, formula, process or approach' that when applied:

- allocates the aggregate annual revenue requirement (AARR) to the categories of prescribed transmission services that a transmission business provides,
- provides for the manner and sequence of adjustments to the annual service revenue requirement (ASRR) and allocates that ASRR to transmission network connection points,
- determines the structure of prices for each category of prescribed transmission services.

Basslink’s proposed pricing methodology has been developed in accordance with the requirements of Chapter 6A of the NER and the AER’s pricing methodology guidelines (Guidelines)[1] for Transmission Network Service Providers (TNSP).

[1] AER, *Electricity transmission network service providers : Pricing methodology guidelines*, 3 July 2025

2. Basslink Pricing Methodology

2.1. Information Requirements

A *TNSP*'s proposed pricing methodology must contain the following information:

Requirement	Basslink Compliance
(a) Whether the *TNSP* is the sole provider of *prescribed transmission services* within its *region* or whether there are multiple *TNSP*s providing *prescribed transmission services* within its region.	Basslink will provide *prescribed transmission services* in both Victoria and Tasmania. In both regions there will be multiple providers of *prescribed transmission services*. The Co-ordinating Network Service Providers (CNSP) in each region will be: • Vicgrid for Victoria, • TasNetworks for Tasmania.
(b) Whether the *TNSP* has been appointed as the *CNSP* for a *region* under clause 6A.29.1 of the *National Electricity Rules* and is therefore responsible for the allocation of the total regional aggregate annual revenue requirement (*AARR)* for its *region to services and the allocation* of the annual service revenue requirement (ASRR) for services in the region to connection points and related adjustments.	Basslink has not been appointed as the CNSP in either Victoria or Tasmania. The CNSPs in each region will be: • Vicgrid for Victoria, • TasNetworks for Tasmania.
(c) Details of how the TNSP's aggregate annual revenue requirement (*AARR)* will be derived including an explanation of how the amounts subtracted from the *maximum allowed* revenue in accordance with clause 6A.22.1(b) of the *National Electricity Rules* will be determined and how they will be recovered via *transmission* prices.	Basslink's maximum allowed revenue referred to in clause 6A.3.1 is determined by the AER and is adjusted annually using the regulatory control formula for *CPI*, *X* and other factors. The AARR is calculated in accordance with clause 6A.22.1. Basslink's *AARR* is for *prescribed transmission services* only and is allocated to TasNetworks and Vicgrid. Basslink's revenues for prescribed transmission services under part J of chapter 6A of the NER will be recovered wholly through TasNetworks' and Vicgrid's transmission prices. This will include Basslink's AARR and system security network support payments, as well as any other adjustments permitted under the NER.
(d) Where a TNSP is a CNSP, details of how the total regional AARR will be derived in accordance with clause 6A.22.5 of the National Electricity Rules, including:	Basslink has not been appointed as the CNSP in either Victoria or Tasmania.
(1) an explanation of how any interconnector transfer amount is calculated and incorporated into the total regional AARR.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(2) hypothetical examples of the derivation of the total regional AARR setting out the components identified in clauses 6A.22.5(a)–(d).	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(e) Details of how the *AARR, and/or the total regional AARR as relevant*, will be allocated to derive the *ASRR* for each *category of prescribed transmission service*, including:	Pursuant to cl 6A.29.1(d), the CNSPs for Victoria and Tasmania will be responsible for allocating *AARR* to derive *ASRR*.
(1) how the *attributable cost shares* for each category *of prescribed transmission service* will be calculated in accordance with clause 6A.22.3 of the *National Electricity Rules* including:	The calculation of attributable cost shares in accordance with clause 6A.22.3 of the *National Electricity Rules* is described in TasNetworks' and Vicgrid's *pricing methodology.*
A. an explanation of how the costs referred to in clause 6A.22.3(a) and/or clause 6A.22.3(b), as relevant, of the *National Electricity Rules* will be calculated; and	Included in TasNetworks' and Vicgrid's *pricing methodology*.
B. hypothetical worked examples for each category of prescribed transmission service;	Included in TasNetworks' and Vicgrid's *pricing methodology*.

Requirement	Basslink Compliance
(2) how the priority ordering approach outlined in clause 6A.22.3(c) of the *National Electricity Rules* will be applied, including a hypothetical worked example; and	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(3) how asset costs which may be attributable to both prescribed *entry services* and *prescribed exit services* will be allocated.	Basslink does not provide prescribed entry services or prescribed exit services.
(f) Details of how the ASRR for each category of prescribed transmission service will be allocated to each transmission connection point, including:	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(1) how the attributable connection point cost share for both prescribed entry services and prescribed exit services will be calculated in accordance with clause 6A.22.4 of the National Electricity Rules, including:	Included in TasNetworks' and Vicgrid's *pricing methodology*.
A. an explanation of how the costs referred to in clause 6A.22.4(a) of the National Electricity Rules will be calculated;	Included in TasNetworks' and Vicgrid's *pricing methodology*.
B. hypothetical worked examples; and	Included in TasNetworks' and Vicgrid's *pricing methodology*.
C. how asset costs allocated to prescribed entry services and prescribed exit services at a connection point, which may be attributable to multiple transmission network users, will be allocated;	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(2) how the pre-adjusted locational and pre-adjusted non-locational components of prescribed TUOS services will be allocated in accordance with 6A.23.3(a) of the National Electricity Rules;	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(3) how the adjusted locational and adjusted non-locational components of prescribed TUOS services will be determined and allocated to connection points in accordance with clauses 6A.23.3(b)-(g) of the National Electricity Rules.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(g) In relation to price structures:	
(1) confirm that separate prices will be developed for each category of prescribed transmission service;	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(2) confirm that the prices for prescribed entry services and prescribed exit services will be a fixed annual amount, and describe how these amounts will be calculated;	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(3) outline how the pricing structure for the recovery of the locational component of prescribed TUOS services complies with these guidelines and clauses 6A.23.4(b)-(d) of the National Electricity Rules including outlining:	Included in TasNetworks' and Vicgrid's *pricing methodology*.
A. the time period for the allocation of generation to load as prescribed in clause S6A.3.2(3) of the National Electricity Rules;	Included in TasNetworks' and Vicgrid's *pricing methodology*.
B. how prices will be structured to comply with the National Electricity Rules and these guidelines; and	Included in TasNetworks' and Vicgrid's *pricing methodology*.
C. the process for deriving the locational charge for each billing period and details of any adjustment mechanism applied to a measure of forecast demand once actual demand is known;	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(4) outline how the postage stamp pricing structure for the recovery of the adjusted non locational component of prescribed TUOS services complies with these guidelines and clause 6A.23.4(e) of the National Electricity Rules; and	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(5) outline how the postage stamp pricing structure for the recovery of prescribed common transmission services complies with these guidelines and clause 6A.23.4(f) of the National Electricity Rules.	Included in TasNetworks' and Vicgrid's *pricing methodology*.

Requirement	Basslink Compliance
(h) Details of how the *TNSP* intends to set the *prescribed TUOS service* locational price at new *connection points* or at *connection points* where the load has changed significantly after *prescribed TUOS service* locational prices have been determined and published by the *TNSP*.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(i) If a *TNSP* expects to calculate a postage stamped charge in accordance with either section 2.3(c)(4)(C) or 2.3(d)(3)(C) of these *guidelines*, it must explain the likely circumstances surrounding the use of *current energy offtake* or *current maximum demand offtake* in its proposed *pricing methodology*.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(j) The information in relation to inter-regional charging arrangements required by section 2.6 of the *guidelines*.	Basslink is not the *CNSP* in either Victoria or Tasmania. As such, the requirements outlined in section 2.6 do not apply to Basslink
(k) Whether the *TNSP* is the *System Strength Service Provider* for its *region*.	Basslink is not the System Strength Service Provider in either Victoria or Tasmania.
(l) Where the *TNSP* is the *System Strength Service Provider* for its *region*:	Not applicable – Basslink is not the System Strength Service Provider in either Victoria or Tasmania
(1) confirm that a System Strength Transmission Service User for a system strength connection point will pay an annual system strength charge for the system strength connection point in equal monthly instalments from the time referred to in paragraph (2) in accordance with clause 6A.23.5 of the National Electricity Rules and these guidelines;	See above.
(2) explain the time at which the system strength charge will commence to be payable by a System Strength Transmission Service User	See above.
(3) confirm that the monthly instalments for the system strength charge will be calculated on a pro rata basis for the remaining months of the regulatory year if the obligation to pay the system strength charge commences part way through a regulatory year	See above.
(4) explain the methodologies it will apply to determine the system strength unit price for each system strength node on its transmission network for the system strength charging period, including an explanation of its methodology for forecasting its long run average costs of providing system strength transmission services;	See above.
(5) set out whether the system strength unit price will be updated for indexation for each regulatory year in the system strength charging period and, if so, the basis for indexation;	See above.
(6) explain how the methodologies and prices referred to in paragraphs (4) to (5) comply with the requirements in section 2.7(a) and (b) of these guidelines and clause 6A.23.5 of the National Electricity Rules;	See above.
(7) explain how it will calculate the adjustments required under clause 6A.23.3A(b) of the National Electricity Rules, including the methodologies it will apply to determine forecast annual system strength revenue and estimated actual annual system strength revenue; and	See above.
(8) explain how the methodologies referred to in paragraph (7) give effect to, and are consistent with, clause 6A.23.3A of the National Electricity Rules and the principles in section 2.8 of these guidelines.	See above.
(m) Where the TNSP is not the System Strength Service Provider for its region:	Basslink is not the System Strength Service Provider in either Victoria or Tasmania.

Requirement	Basslink Compliance
(1) explain how it will set charges applicable to each system strength connection point on its transmission network to recover on a pass through basis the annual system strength charge for the system strength connection point determined by the relevant System Strength Service Provider; and	However, Basslink considers that the requirements in paragraph (1) and (2) do not apply. Basslink is very unlikely to have any *system strength connection points* on its *transmission network*. A system strength connection point is a connection to a *generating system*, *integrated resource system* or other *connected plant* where an election has been made under clause 5.3.4B(b1) of the *National Electricity Rules* to pay the *system strength charge*. Given that Basslink is an undersea DC cable linking the Victorian and Tasmanian *regions*, it is extremely unlikely that a *system strength connection point* would be established on Basslink's *transmission network* in the period over which the proposed *pricing methodology* will apply. Consequently, under paragraph (3), the requirements of paragraphs (1) and (2) do not apply to Basslink.
(2) explain how the charges referred to in paragraph (1) comply with the requirements of clause 6A.23.6 of the National Electricity Rules, including:	
(A) how the amount, structure and timing of the charges referred to in paragraph (1) replicates as far as reasonably practical the amount, structure and timing of the corresponding system strength charge billed to the TNSP by the System Strength Service Provider; and	
(B) an explanation of the reasons for any differences between the amount, structure and timing of the charges referred to in paragraph (1) and the amount, structure and timing of the corresponding system strength charge billed to the TNSP by the System Strength Service Provider;	
(3) the requirements in paragraphs (1) and (2) do not apply to a TNSP:	
(A) in an adoptive jurisdiction; or	
(B) that can establish to the AER's satisfaction that it is unlikely to have any system strength connection points on its transmission network during the period over which the proposed pricing methodology will apply.	
(n) A statement of how the pricing methodology gives effect to and is consistent with, the pricing principles for prescribed transmission services including an explanation of how any alternative pricing structure which the TNSP wishes to apply meets the requirements of clause 6A.23.4 of the National Electricity Rules.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(o) Details of any proposed transitional arrangements the TNSP considers necessary as a result of the implementation of its pricing methodology	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(p) Information relating to any prudent discounts for prescribed transmission services previously submitted to the AER or expected to be submitted to the AER within the next regulatory control period and how those discounts are proposed to be recovered from Transmission Network Users in accordance with rule 6A.26 of the National Electricity Rules.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(q) Details of billing arrangements with Transmission Network Users and transfers between TNSPs conducted in accordance with rule 6A.27 of the National Electricity Rules.	In accordance with rule 6A.27.4 of the *National Electricity Rules*, • each of TasNetworks and Vicgrid will be required to pay Basslink for revenue collected as charges for *prescribed transmission services* for use of the Basslink *transmission system*. • Basslink will bill TasNetworks and Vicgrid on a monthly basis. Basslink will receive revenue through TasNetworks and Vicgrid and will not directly bill other *Transmission Network Users*.
(r) Details of the nature of prudential requirements as outlined in rule 6A.28 of the National Electricity Rules and how any capital contributions will be taken into account in determining a Transmission Network Users' prices for prescribed transmission services.	Included in TasNetworks' and Vicgrid's *pricing methodology*. There are no prudential requirements or capital contributions in respect of Basslink.

Requirement	Basslink Compliance
(s) If a TNSP has, in accordance with section 2.5 of these guidelines, provided the AER with a confidential version of its proposed pricing methodology, the non confidential version of the proposed pricing methodology must outline the area or areas where the TNSP is making a claim for confidentiality and why.	Basslink is not claiming confidentiality in respect of this proposed *pricing methodology*.
(t) Details of any derogation in accordance with chapter 9 of the National Electricity Rules.	There is no derogation in accordance with chapter 9 of the *National Electricity Rules* that applies to Basslink.
(u) Details of any transitional arrangements which apply in accordance with chapter 11 of the National Electricity Rules.	There are no transitional arrangements in accordance with chapter 11 of the *National Electricity Rules* that apply to the *pricing methodology* of Basslink.
(v) The period over which the proposed pricing methodology will apply, including the periods of the regulatory control period and the system strength charging period.	This proposed *pricing methodology* will apply for the proposed *regulatory control period* from 1 July 2026 to 30 June 2030. Basslink is not a *System Strength Service Provider*.
(w)A description of any differences between the current pricing methodology and that proposed for the next regulatory control period and system strength charging period.	Not applicable – the period commencing on 1 July 2026 will be the first *regulatory control period* for Basslink.
(x) Details of how the TNSP intends to monitor and develop records of its compliance with its approved *pricing methodology*, the *pricing principles* for *prescribed transmission services* and more broadly Part J of Chapter 6A of the National Electricity Rules.	Basslink will maintain records of payments made by TasNetworks and Vicgrid for *prescribed transmission services* and reconcile these payments with the *AARR*. These details will be included in the regulatory accounts submitted annually to the AER.

2.2. Permitted (locational) pricing structures

Requirement	Basslink Compliance
(a) Prices for the recovery of the locational component of *prescribed TUOS services* must be based on demand at times of greatest utilisation of the *transmission network* and for which network investment is most likely to be contemplated in accordance with clause 6A.23.4(b) of the *National Electricity Rules*.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(b) The *CRNP* methodology and modified *CRNP* methodology outlined in S6A.3 of the *National Electricity Rules* provides guidance on the process for cost allocation for the locational component of *prescribed TUOS services* and results in a lump sum dollar amount to be recovered at each *transmission connection point*.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(c) The following measures of demand are to be applied to the lump sum dollar amount referred to in section 2.2(b) to derive the locational price at each *transmission connection point*:	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(1) The current *contract agreed maximum demand* (prevailing at the time *transmission* prices are published) as negotiated in a *transmission customer's* connection agreement or the *transmission customer's* maximum demand in the previous 12 months if the *transmission customer* has exceeded its current *contract agreed maximum demand*, expressed as $/MW/day; or	See above.
(2) The average of the *transmission customer's* half-hourly maximum demand recorded at a *connection point* on the 10 weekdays when system demand was highest between the hours of 11:00 and 19:00 in the local time zone during the previous 12 months, expressed as $/MW/day.	See above.
(d) A *TNSP* (or *CNSP*) may propose alternative pricing structures for the recovery of the locational component of *prescribed TUOS services* which it considers give effect to, and are consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules*.	Basslink is not proposing alternative pricing structures for the recovery of the locational component of *prescribed TUOS services.*
(e) If a *TNSP* (or *CNSP*) proposes an alternative pricing structure for the recovery of the locational component of *prescribed TUOS services* it must clearly demonstrate to the *AER* that the alternative pricing structure:	Basslink is not proposing alternative pricing structures for the recovery of the locational TUoS component.
(1) gives effect to, and is consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules*;	See above.
(2) improves on the permitted pricing structures outlined in section 2.2(c) of these *guidelines*; and	See above.
(3) contributes to the *national electricity objective*.	See above.
(f) If historical data is unavailable for a *connection point* for use in either the allocation of costs to a *connection point* using the *CRNP* or modified *CRNP* methodology outlined in S6A.3 or the calculation of locational prices outlined in section 2.2(c) of these *guidelines*, an estimate of demand must be used instead.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(g) The *contract agreed maximum demand* must only be used for the calculation of the locational component of *prescribed TUOS services* pricing structure if the *transmission customer's* connection agreement or other enforceable instrument governing the terms of connection of the *transmission customer*:	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(1) nominates a fixed maximum demand for the *connection point*; and	See above.
(2) specifies penalties for exceeding the *contract agreed* maximum *demand*.	See above.
(h) The locational TUOS price calculated in accordance with these *guidelines* must be applied to a measure of actual, forecast or contract demand to derive the locational charge.	Included in TasNetworks' and Vicgrid's *pricing methodology*.

2.3. Permitted (postage stamp) pricing structures

Requirement	Basslink Compliance
(a) Prices for *prescribed common transmission services* and the recovery of the adjusted non-locational component of *prescribed TUOS services* are to be set on a *postage stamp basis* in accordance with clause 6A.23.4(e) and clause 6A.23.4(f) of the *National Electricity Rules*.	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(b) Permissible postage stamp pricing structures for either the non-locational component of *prescribed TUOS services* or *prescribed common transmission services* must be based on any one of the following:	Included in TasNetworks' and Vicgrid's *pricing methodology*.
(1) either *contract agreed maximum demand* or historical *energy*;	See above.
(2) *maximum demand*; or	See above.
(3) an alternative pricing structure.	See above.
(c) If a postage stamped structure is based on either *contract agreed maximum demand* or historical *energy* it must be calculated as follows:	Basslink does not determine postage stamp based prices.
(1) Each *financial year* a *TNSP* (or *CNSP*) must determine the following two prices:	See above.
(A) an *energy based price* that is a price per unit of historical metered energy or current metered energy at a *connection point*; and	See above.
(B) a *contract agreed maximum demand price* that is a price per unit of *contract agreed maximum demand* at a connection point.	See above.
(2) Either the energy based price or the *contract agreed maximum demand price* applies at a *connection point* except for those *connection points* where a *transmission customer* has negotiated reduced charges for *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* in accordance with clause 6A.26.1 of the *National Electricity Rules*.	See above.
(3) The *energy based price* and *contract agreed maximum demand* price referred to in section 2.3(c)(1) of these *guidelines* must be determined so:	See above.
(A) a *transmission customer* with a load factor in relation to its *connection point* equal to the median load factor for *connection points* with *transmission customers* connected to the *transmission network* in the *region* or *region*s is indifferent between the use of the *energy based price* and the *contract agreed maximum demand* price; and	See above.
(B) the total amount to be recovered by *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* does not exceed the *ASRR* for each *category of prescribed transmission service*.	See above.
(4) The charge for either the *prescribed common transmission service* or the adjusted non locational component of *prescribed TUOS services* using the energy based price for a *billing period* in a *financial year* for each *connection point* must be calculated by:	See above.
(A) multiplying the *energy based price* by the metered energy offtake at that *connection point* in the corresponding *billing period* two years earlier (i.e. *historical metered energy offtake*); or	See above.
(B) multiplying the *energy based price* by the metered energy offtake at that *connection point* in the same *billing period* (*current metered energy offtake*) if the *historical metered energy offtake* is not available; or	See above.
(C) multiplying the energy based price by the *current metered energy offtake* if the *historical metered energy offtake* is significantly different to the *current metered energy offtake*.	See above.

Requirement	Basslink Compliance
(5) The charge calculated for prescribed common transmission services or the adjusted non-locational component of prescribed TUOS services using the contract agreed maximum demand price for a billing period in a financial year for each connection point must be calculated by multiplying the contract agreed maximum demand price by the maximum demand for the connection point in that financial year and then dividing this amount by the number of billing periods in the financial year.	See above.
(6) The energy based price or the contract agreed maximum demand price that applies for prescribed common transmission services or the adjusted non-locational component of prescribed TUOS services must be the one which results in the lower estimated charge for that prescribed transmission service.	See above.
(7) A contract agreed maximum demand price must only be used for the calculation of the prescribed common transmission services charge or the adjusted non-locational component of prescribed TUOS services charge if the transmission customer's connection agreement or other enforceable instrument governing the terms of connection of the transmission customer:	See above.
(A) nominates a contract agreed maximum demand for the connection point; and	See above.
(B) specifies penalties for exceeding the contract agreed maximum demand.	See above.
(d) If a postage stamped pricing structure is based on *maximum demand* it must be calculated as follows:	Basslink does not determine postage stamp based prices.
(1) Each *financial year* a *TNSP* (or *CNSP*) must determine the *maximum demand* based price that is a price per unit of historical metered *maximum demand* or actual metered *maximum demand* measured at a *connection point*;	See above.
(2) The *maximum demand* based price applies at a *connection point* except for those *connection points* where a *transmission customer* has negotiated reduced charges for *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* in accordance with clause 6A.26.1 of the *National Electricity Rules*.	See above.
(3) The charge for either the *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* using the *maximum demand* based price for a *billing period* in a *financial year* for each *connection point* must be calculated by:	See above.
(A) multiplying the *maximum demand* based price by the *maximum demand* at that *connection point* in the corresponding *billing period* two years earlier (i.e. *historical metered maximum demand offtake*); or	See above.
(B) multiplying the *maximum demand* based price by the *maximum demand* at that connection point in the same *billing period* (*current metered maximum demand offtake*) if the *historical maximum demand offtake* is not available;	See above.
(C) multiplying the *maximum demand* based price by the *current metered maximum demand offtake* if the *historical metered maximum demand offtake* is significantly different to the *current metered maximum demand offtake*.	See above.
(e) A *TNSP* (or *CNSP*) may propose alternative postage stamp pricing structures which it considers give effect to, and are consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules,* in which case it must clearly demonstrate to the *AER* that the alternative pricing structure is least distortionary to *transmission network users'* behaviour and:	Basslink does not determine postage stamp based prices. This detail is included in TasNetworks' and Vicgrid's *pricing methodology*.
(1) gives effect to, and is consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules*;	See above.
(2) improves on the permitted pricing structures outlined in section 2.3(c) and (d) of these *guidelines*; and	See above.
(3) contributes to the *national electricity objective*.	See above.

2.4. Attribution of transmission system assets to categories of prescribed transmission services

Requirement	Basslink Compliance
(a) The following sections outline the types of *transmission system assets* that are *directly attributable* to each *category* of *prescribed transmission service*.	Basslink's *transmission system assets* are all *directly attributable* to *prescribed transmission services*.
(1) The types of *transmission system assets* that are *directly attributable* to *prescribed entry services* are limited to:	Basslink has no *transmission system* assets that are *directly attributable* to *prescribed entry services*.
(A) *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);	See above.
(B) switchgear and *plant* associated with *generators' generating systems* connection and *generator transformers*;	See above.
(C) secondary systems associated with primary systems providing *prescribed entry services*;	See above.
(D) *transmission lines* owned by *TNSP*s connecting *generators*' *generating systems* to the *TNSP*'s *transmission network*; and	See above.
(E) *meters* associated with *prescribed entry services* and owned by the *TNSP*.	See above.
(2) The types of transmission system assets that are directly attributable to prescribed exit services are limited to:	Basslink has no *transmission system* assets that are *directly attributable* to *prescribed exit services*.
(A) *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);	See above.
(B) switchgear used to supply the sub-*transmission voltage* and associated switchgear at both the *transmission* and sub-*transmission voltage* level;	See above.
(C) transformers which supply the sub-*transmission voltage* level and associated switchgear at both the *transmission* and sub-*transmission voltage* level;	See above.
(D) secondary systems associated with primary systems providing *prescribed exit services*;	See above.
(E) *meters* associated with *prescribed exit services* and owned by the *TNSP*; and	See above.
(F) *reactive plant* installed for *power factor* correction which provides benefit to *transmission customer*s connected at the *connection point*.	See above.
(3) The types of transmission system assets that are directly attributable to prescribed TUOS services are limited to:	Basslink transmission system assets are all *directly attributable* to *prescribed TUOS services including:*
(A) *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);	Converter stations in Victoria and Tasmania that convert AC to DC, and associated infrastructure.

Requirement	Basslink Compliance
(B) *transmission* lines and associated easements;	The following transmission cables: • A 400 kV DC overhead transmission line extending from Loy Yang converter station to the transition station at Giffard West, northwest of McGaurans Beach on the Victorian coast. • An underground 400 kV DC cable, 25 kV DC metallic return cable, and fibre-optic cable from the transition station to McGaurans Beach, the Victorian landfall. • A subsea cable bundle (400 kV DC cable, 25 kV DC metallic return cable, and fibre-optic cable) running across Bass Strait to the Tasmanian landfall east of Four Mile Bluff. • An underground 400 kV DC cable, 25 kV metallic return cable, and fibre-optic cable from the Tasmanian landfall to the transition station located at Aerodrome Road. • A 400 kV DC overhead transmission line from the transition station to the George Town converter station. • A 220 kV AC overhead transmission line from the converter station to the George Town *substation*, the point of connection to the Tasmanian grid.
(C) switchgear on *transmission* lines and auto-transformers which are part of the *transmission network* and are switched at the *substation* including associated bus work and control and protection schemes;	Electronic switchgear that controls the AC and DC transmission systems and transformers. This equipment and associated bus work and control and protection systems are located at the Victorian and Tasmanian converter stations and Victorian and Tasmanian transition stations.
(D) auto-transformers which transform *voltage* between *transmission* levels;	Specially designed transformers that permit the conversion of AC to DC.
(E) static and dynamic *reactive plant* and associated switchgear and transformation regardless of the *voltage* level; and	Static and dynamic reactive plant and associated electronic switchgear located at the Victorian and Tasmanian converter stations.
(F) all system controls required for monitoring and control of the integrated *transmission system* including remote monitoring and associated communications, *load shedding* and special control schemes and *voltage* regulating *plant* required for operation of the integrated *transmission system*.	System controls required for monitoring and control of the integrated *transmission system* including remote monitoring and associated communications, *load shedding,* special control schemes and *voltage* regulating *plant* required for operation of the integrated *transmission system,* located in Victoria and Tasmania.
(4) The types of *transmission system* assets that are *directly attributable* to *prescribed common transmission services* are limited to:	Basslink has no *transmission system* assets that are *directly attributable* to *prescribed common transmission services.*
(A) *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);	See above.
(B) *power system* communications networks;	See above.
(C) *control systems;*	See above.
(D) network switching centres (excluding generation and system control functions);	See above.
(E) static and dynamic reactive control *plant* and associated switchgear;	See above.
(F) spare *plant* and equipment including that installed at *substation*s;	See above.
(G) fixed assets such as buildings and land that are not associated with *substation* or line easements, (head office buildings, land for future *substation*s etc.); and	See above.
(H) motor vehicles and construction equipment.	See above.

Requirement	Basslink Compliance
(b) In its proposed *pricing methodology*, a *TNSP* may include additional types of *transmission system* assets that it considers are *directly attributable* to one or more *category* of *prescribed transmission service*.	Basslink does not seek to include additional types of *transmission system* assets to any category of *prescribed transmission services*.
(c) A *TNSP* must justify the inclusion of any additional types of *transmission system* assets referred to in section 2.4(b) of the *guidelines* and the *AER* will consider each when assessing the *TNSP*'s proposed *pricing methodology*.	Basslink does not seek to include additional types of *transmission system* assets to any category of *prescribed transmission services*.

2.5. Disclosure of information

Requirement	Basslink Compliance
(a) A *TNSP* should develop its proposed *pricing methodology* so that it can be publicly released by the *AER*.	Basslink has developed this proposed *pricing methodology* so that it can be publicly released by the *AER*.
(b) If a *TNSP* identifies information which it considers to be confidential or commercially sensitive and it considers that providing that information to the *AER* is necessary in order to demonstrate that its proposed *pricing methodology* complies with the *National Electricity Rules*, it should include that information in a confidential version of its proposed *pricing methodology* and provide it to the *AER*.	Basslink has not identified any confidential or commercially sensitive information in this proposed pricing methodology.
(c) The AER will not publicly disclose a confidential version of a proposed *pricing methodology*.	Noted.
(d) The *AER* considers that confidential or commercially sensitive information is likely to include details of, or information that could readily be used to infer an individual *transmission customer*'s price or charge, premises, negotiated discounts, *prudential requirements* or other commercial arrangements relating to its electricity supply.	The information contained in Basslink's pricing proposal is not likely to include details of, or information that could readily be used to infer an individual *transmission customer*'s price or charge, premises, negotiated discounts, *prudential requirements* or other commercial arrangements relating to its electricity supply.
(e) If a *TNSP* considers that other information should not be made publicly available, it must justify its claim for confidentiality to the *AER*.	Basslink is not claiming confidentiality for this proposed *pricing proposal*.
(f) If the *AER* disagrees with a *TNSP*'s claim that information provided to it is of a confidential or commercially sensitive nature, the *AER* will:	See above.
(1) notify the *TNSP* of its view, and	See above.
(2) allow the TNSP to withdraw the information or rescind its claim for confidentiality.	See above.
(g) If information is withdrawn under 2.5(f) of these guidelines the AER will:	See above.
(1) not take the information into consideration when assessing the TNSP's proposed pricing methodology, and	See above.
(2) not publicly disclose that information.	See above.

2.6. Inter-regional transmission charging arrangements

Basslink is not the Co-ordinating Network Service Provider in either Victoria or Tasmania. As such, the requirements outlined in clauses 2.6 (a)-(f) do not apply to Basslink.

2.7. Permitted system strength charging methodologies

Basslink is not the System Strength Service Provider in either Victoria or Tasmania. As such, the requirements outlined in clauses 2.7 (a)-(b) do not apply to Basslink.

2.8. Principles for determining forecast annual system strength revenue and estimated actual annual system strength revenue

Basslink is not the System Strength Service Provider in either Victoria or Tasmania. As such, the requirements outlined in clause 2.8 do not apply to Basslink.

2.9. Requirements relating to interconnector cost allocation agreements

Basslink is not the Co-ordinating Network Service Provider in either Victoria or Tasmania and no interconnector cost allocation agreement is in place. As such, the requirements outlined in clause 2.9 do not apply to Basslink.