

January 2026

Powerlink 2027-32 Revenue Proposal

Appendix 7.01

Regulatory Asset Base Transfers



1 Purpose

This Appendix provides further information on our proposal for a net transfer of \$33.88 million into the Regulatory Asset Base (RAB) as at 30 June 2027. This comprises the:

- addition of \$36.71 million of non-prescribed assets into our RAB, as the assets will support the ongoing provision of prescribed transmission services, and
- removal of \$2.83 million from our RAB, as these assets have been repurposed to deliver non-prescribed transmission services.

2 RAB Additions

2.1 Regulatory requirements

The Rules¹ allow for the value of assets that previously provided non-prescribed transmission services to be included in the RAB at the commencement of a regulatory period. The amount to be included is limited to the extent that such past capital expenditure relates to assets that are used for the provision of prescribed transmission services.

2.2 Pinkenba site

To support Queensland's energy transition, it is critical that Powerlink's facilities remain fit for purpose and capable of operating safely in an increasingly complex environment. As part of the Virginia uplift project, Powerlink reviewed the Virginia complex, our headquarters and primary operational base, to ensure it can continue to meet long-term operational needs. This review identified emerging operational, safety, and accommodation requirements that necessitated relocating key operational teams ahead of major demolition and construction works at the complex.

Powerlink made a strategic decision to acquire the Pinkenba site in June 2025, recognising it as a rare opportunity to secure a facility that met operational requirements, subject to Development Application approval. The decision was supported by an independent valuation which indicated that the site's replacement value exceeded the purchase price.

To ensure prescribed customers are not funding the asset prematurely, Powerlink classified the Pinkenba site as a non-prescribed asset at the time of purchase, with its classification to change only if it is ultimately required to support the delivery of prescribed transmission services.

In September 2025, Powerlink approved major demolition, construction and refurbishment works for the Virginia Uplift project to commence in the 2027–32 regulatory period. This timing allows sufficient time to complete detailed design work and refine cost estimates. The Pinkenba site continues to be regarded as a suitable location to accommodate operational staff delivering prescribed transmission services throughout the redevelopment of the Virginia complex, subject to Development Approval.

As the site is expected to be required to support the delivery of prescribed transmission services from the start of the next regulatory period, Powerlink proposes to transfer 74% of the assets' net book value (NBV) into the RAB,

¹ National Electricity Rules, schedule 6A.2, clause 6A.2.1(f)(8).

consistent with the actual cost and roll-forward approach set out in the Rules². The rolled-forward value is projected to be \$36.71 million at 1 July 2027, the start of the 2027-32 regulatory period.

Table 2.1 - Net Book Value at 30 June 2027 (\$million real, 2026/27)

Asset class	NBV 30/06/27	Regulated portion	Asset transfer value
Land	11.37	74%	8.41
Buildings – capital works	38.24	74%	28.30
Total	49.61	74%	36.71

3 RAB Removals

3.1 Regulatory requirements

The Rules³ provide that the RAB is the value of assets used to provide prescribed transmission services, but only to the extent that they are used to provide such services. The Rules⁴ also require that the RAB for each year of the regulatory period be reduced by the disposal value of any asset disposed of in the period.

3.2 Repurposed Assets

Powerlink has identified assets that have been repurposed to deliver non-prescribed transmission services and are no longer required to deliver prescribed transmission services:

- [REDACTED]

Use of these assets for non-prescribed services has been agreed following internal network planning analysis, which confirmed there is no ongoing need for them in the provision of prescribed transmission services.

As these assets will be transferred to the non-prescribed business, their value has been treated as a disposal in the Roll-Forward Model submitted with our Revenue Proposal. The amount removed from the RAB reflects the written down value of all assets at the respective sites that no longer provide prescribed transmission services. In accordance with the Rules, this value is deemed to be the disposal value.

Details of the repurposed assets are provided in Table 3.1 below.

² National Electricity Rules, schedule 6A.2, clause S6A.2.4.
³ National Electricity Rules, clause 6A.6.1(a).
⁴ National Electricity Rules, schedule 6A.2, clause 6A2.1(f)(6).

Table 3.1 - Repurposed assets (\$million real, 2026/27)

Customer Project	Asset Details	Value
	Easement	0.38
	Two 275kV feeder bays	
	• Primary plant	2.24
	• Secondary systems	0.21
Total		2.83

Our Revenue Proposal includes the disposal of the repurposed assets in 2026/27, the final year of our current regulatory period. This ensures the assets are removed from the RAB before the commencement of the next 2027-32 regulatory period, so that only assets providing prescribed transmission services remain in the RAB.

In the development of our 2026/27 prescribed transmission services, Powerlink intends to reduce its MAR from 2025/26 to reflect the expected commencement of non-prescribed charges for these assets.