



# Essential Energy - Cost pass through Application – 2025 North Coast Weather event

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# Executive Summary

Essential Energy's network, across the North Coast of New South Wales ("NSW"), was affected by severe rain, wind, soil saturation, coastal erosion and flooding over March to May 2025. The event began in March with Tropical Cyclone Alfred. Natural disaster declarations were made in NSW from the Tweed Shire down to the Mid-Coast Council and nearly 100,000 of our customers lost power. Many of them experienced outages of 48 hours or longer, with some communities going over a week without power while crews worked to clear vegetation and repair significant damage to the network.

Following Tropical Cyclone Alfred, we experienced continued rainfall saturating soil – two further natural disaster declarations were made for storms that crossed over the Mid Coast area. This saturation together with intense rainfall from another low-pressure system in May caused devastating flooding across the Mid North Coast and Hunter areas and caused more than 46,000 Essential Energy customers to lose power. Again, another natural disaster declaration was made for numerous areas across Essential Energy's network footprint, ranging from the Clarence Valley Shire down to Bega Valley Shire.

The weather brought down trees and debris over powerlines and electrical equipment, and floodwater inundated many of our customers' houses and businesses as well as large parts of the electricity network, requiring power to be proactively turned off to ensure community safety. The floods also washed away power poles, electrical equipment, streetlights and damaged a marine cable.

This North Coast Weather Event meets the requirements of a positive pass through event prescribed under clause 6.6.1(a1) of the NER, specifically a natural disaster event as specified in Essential Energy's 2024-29 Regulatory Determination.

The natural disaster event increased the costs to Essential Energy in providing direct control services. Incremental costs to address the impacts (the eligible pass through amount) totalled \$19.9M in FY24 terms and were not a consequence of an act or omission of Essential Energy – the events were outside Essential Energy's control and unforeseeable.

The scale, severity and compounding nature of the event led to costs that are material for Essential Energy. Funding for these costs was not included in the revenue allowances from the 2024–29 regulatory control period approved by the Australian Energy Regulator (AER) in April 2024.

We are requesting to recover the shortfall in nominal revenue (a positive pass through amount) of \$8.5M to cover these unexpected costs. While we recognise that this will result in additional costs for consumers, this funding will ensure that we can respond with confidence (and without incentive scheme penalties) in the future whenever devastating natural disaster events occur. In approving this application, the AER is ensuring that customers do not pay more than they need to, for any future events.

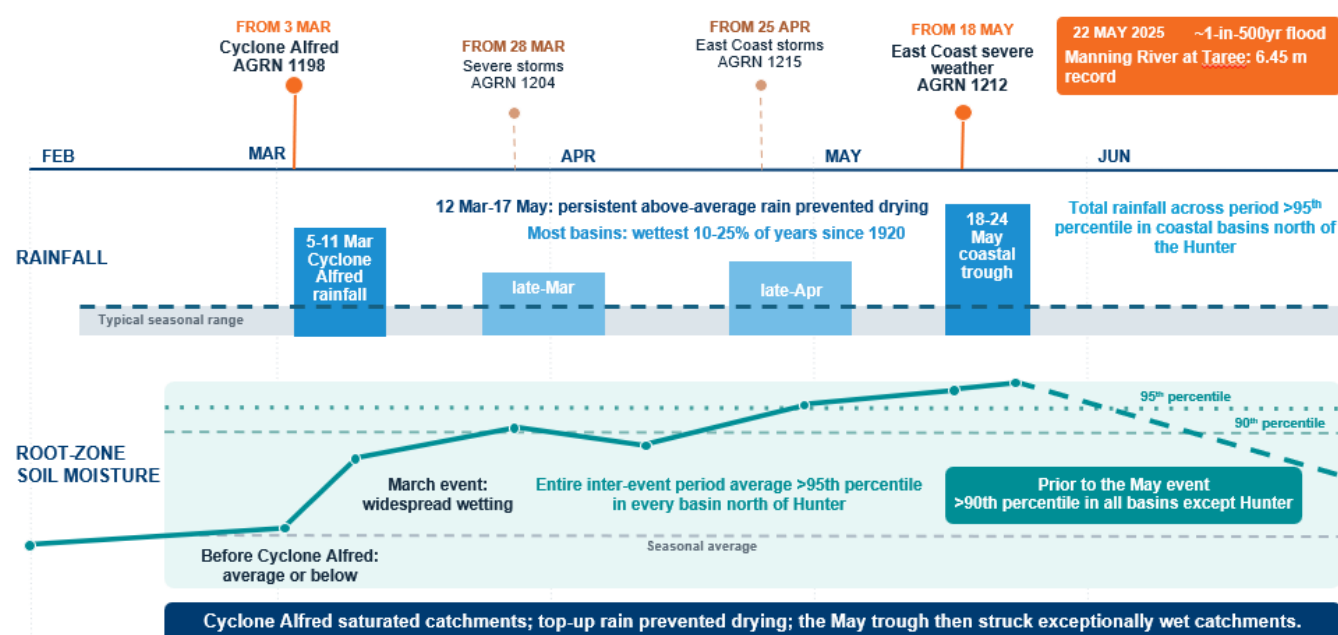
This cost pass through application will result in a typical residential customer paying an estimated annual average of \$2.94 extra in their retail bill across FY28 and FY29, and a small business customer paying an average \$5.84 extra in each of those years.

# 1. Event Details

## 1.1 The 2025 North Coast Weather Event

The 2025 North Coast Weather Event is comprised of the severe rain, wind, coastal erosion and flooding experienced over March to May 2025 which caused significant damage to our network. This damage led to large scale outages, required two large scale emergency mobilisations to restore service, as well as additional work to restore and rebuild our network to maintain service, reliability and resilience. Figure 1 below illustrates relevant information from the North Coast event - demonstrating the compounding effect of rainfall on soil moisture levels, and which resulted in record flooding in May 2025.

Figure 1: The March-May 2025 weather sequence primed North Coast catchments for record flooding



Source: Essential Energy analysis, WMAwater Attachments D and E

### Early March: Ex-Tropical Cyclone Alfred

The event began in early March 2025, when Tropical Cyclone Alfred made landfall, bringing strong winds, torrential rain and eventually causing widespread flooding to communities across South-East Queensland and northern NSW.

Communities across the NSW Far North Coast, Northern Rivers, Mid North Coast and Northern Tablelands and parts of Southern Queensland were affected, Tropical Cyclone Alfred resulted in heavy winds up to 120km/h, significant rainfall and flooding. Almost 100,000 customers were without power due to fallen trees, toppled power poles and damaged powerlines and electrical assets.

The NSW Government confirmed a Natural Disaster Declaration (AGRN 1198) for 19 local government areas (LGAs) affected by this severe weather event from 3 March 2025.<sup>1</sup> The LGAs included in the declaration spanned from the Tweed Shire down to the Mid-Coast Council.

<sup>1</sup> [Natural disaster declarations from financial year 2024-25 | NSW Government](#)

### March to April period: above average rainfall and soil saturation

Following Ex Tropical Cyclone Alfred, rainfall continued over the subsequent two months leading to recorded cumulative rainfall in the order of 300–400 mm across the affected catchments. Rainfall in this period was far higher than the seasonal average and across most basins this period was in the top 10-25% of wet years since 1920.

This rainfall topped-up soil moisture. All basins North of the Hunter were at or above the 95th percentile. In some catchments, soil moisture was at or near its long-term maximum during the period.<sup>2</sup>

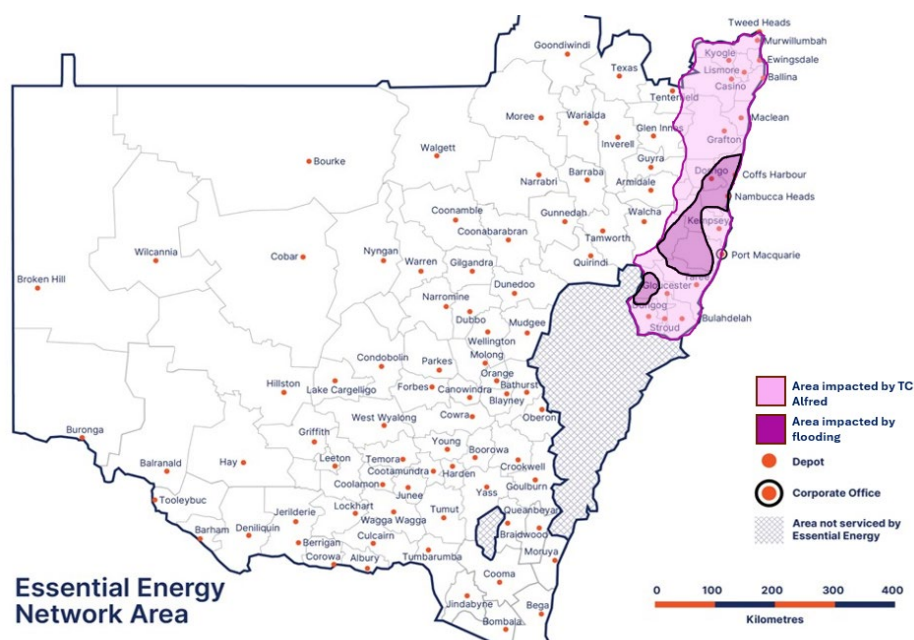
The NSW Government confirmed a Natural Disaster Declaration (AGRN 1204) for 6 local government areas (LGAs) affected by this severe weather event from 28 March 2025.<sup>3</sup> The Mid-Coast Council LGA was included in the declaration. The NSW Government also confirmed a Natural Disaster Declaration (AGRN 1215) for 2 local government areas (LGAs) affected by this severe weather event from 25 April 2025.<sup>4</sup> The Mid-Coast Council LGA was included in the declaration.

### May: Mid North Coast Floods

Saturated soil together with low-pressure systems resulted in flooding across parts of the network, contributing to additional faults and restoration activities. While flooding is not uncommon across much of the North Coast area in which we operate, the flooding from May 2025 was extraordinary both in severity and in the magnitude of its impact on our customers, network and services. Heavy rainfall led to severe flooding driven by both the duration and intensity of the May rainfall together with the saturated soil from the ex-Tropical Cyclone. More than 46,000 customers were affected by power outages and, in some cases, there was extensive damage to homes and businesses.

The NSW Government confirmed a Natural Disaster Declaration (AGRN 1212) for 25 LGAs by this severe weather event from 18 May 2025. The LGAs included in this declaration spanned from the Clarence Valley Council down to the Bega Valley Shire.

Figure 2 illustrates the location and scale of this weather event that impacted us from March to May 2025, where at least 100mm of rainfall was received in each event – the overlapped area aligns with locations where flooding occurred in May 2025.



**Figure 2: Areas affected by the 2025 North Coast Weather Event**

<sup>2</sup> WMA Water (Attachments D and E)

<sup>3</sup> [Natural disaster declarations from financial year 2024-25 | NSW Government](#)

<sup>4</sup> [Natural disaster declarations from financial year 2025-26 | NSW Government](#)

## 1.2 Single natural disaster event

In the AER's March 2022 decision on Essential Energy's 2019-20 Bushfires Cost Pass Through Application ("CPTA")<sup>5</sup>, discussion covered the aspect of multiple related natural disaster events being treated as a single event for CPTA purposes. It was clear that the underlying cause, geographical and temporal alignment were relevant factors (in addition to other factors such as natural disaster declarations) in assisting in their determination on whether multiple disaster events were related. On page 11 of that decision the AER stated - *"Overall, we consider that the bushfires within each of the Northern NSW and Southern NSW bushfire regions are sufficiently related to each other due to their proximity in time and location. The fires within these regions were likely to have been contributed to by the same local weather conditions. Critically, the combined proximity of time and location of the bushfires within the respective regions support an inference that they are sufficiently related"*.

As part of Essential Energy's 2024-29 Regulatory Proposal, several definition changes were put forward for nominated pass-through events – this included expanding the natural disaster event definition to explicitly include a 'series of related natural disaster events'. Whilst ultimately the change was not accepted, the AER's decision<sup>6</sup> confirmed that this was already captured in the current definition and in recent determinations – *"network service providers already can make a cost pass through application following a natural disaster event which involves several individual but related events."*

The severe rain, wind, coastal erosion, soil saturation and flooding experienced over March to May 2025 forms a single event for several reasons:

1. The weather was temporally aligned having occurred continuously over a 3-month period.
2. The weather was geographically concentrated in a single network area (consistent with the region that the AER considered as a single Northern Region for our 2019-20 Bushfires CPTA)
3. The sum of the whole is greater than the parts i.e., without the initial cyclone or build up in soil saturation results, the flooding in May would have been less severe and damaging.

The same local weather conditions (severe rainfall leading to high soil moisture) plus the proximity in time and location, means that it is appropriate that the AER consider this CPTA as a single natural disaster event.

To further confirm the connection between the three phases of the weather experienced, Essential Energy engaged WMAwater to investigate the link between the Cyclone Alfred natural disaster event in March 2025, the persistent rainfall and the subsequent flooding on the mid-North Coast from May 2025. It's Key Conclusion on page 16 of Attachment D confirmed that the events were related:

*"It has been shown that Ex-Tropical Cyclone Alfred (March) and the widespread riverine flooding in the Mid-North Coast (May) were linked, both temporally and geographically. It can be reasoned that the impacts experienced from the May event, particularly on the Mid-North Coast, were related rather than independent. That is to say, the riverine flooding and extensive damage to power infrastructure in May 2025 was amplified by the earlier Ex-Tropical Cyclone Alfred and the subsequent top- up rainfall prior to the May 2025 event"*.

## 1.3 Insurance

Consistent with most other network businesses, we do not insure our poles, wires and related network infrastructure due to prohibitively high costs for the limited coverage options commercially available. The

<sup>5</sup> [AER Determination - Essential Energy 2019-20 bushfire cost pass through - March 2022](#)

<sup>6</sup> [AER - Draft Decision Attachment 15 - Pass through events - Essential Energy- 2024-29 Distribution revenue proposal - September 2023](#)

premiums required to eliminate risks to poles and wires would result in higher customer charges inconsistent with efficient network operation.

Consequently, Essential Energy takes a stepped approach to handling the cost implications of major damage incurred to these assets as indicated below:

- We treat repair and replacement of these network assets as part of our normal business process where damage is contained to a manageable level; and
- We seek to recover costs from network charges through a pass through application where the materiality threshold for a specific event is exceeded.

This approach provides a balance to protect our customers from ongoing inflated costs driven by high insurance premiums while enabling Essential Energy to recover costs for extraordinary events when necessary.

Aside from our poles, wires and related network infrastructure, we do hold insurance for other assets where it is cost effective to do so, such as for buildings and zone substations. However, for this event there was no damage to any of the insured assets such that the policy excess value was reached to initiate a claim.

## 1.4 Our response to the event

### 1.4.1 MOBILISATION 1: CYCLONE ALFRED

We mobilised equipment and teams in the lead-up to the cyclone, so we could restore power to customers faster when weather conditions permitted. Helicopters, excavators and all-terrain vehicles assisted local and visiting crews in extremely humid working conditions, while our operations team provided accommodation and logistics support.



Our crews navigated difficult terrain, boggy ground, and fallen trees to repair the heavily damaged network, using helicopters, excavators, and all-terrain vehicles to access many areas. At the peak, we had more than 400 vehicles on the ground, and covered over 360,000kms to prepare and respond to the impacts of the cyclone – with three helicopters conducting 40 hours of aerial patrols. At all times, safety was the number one priority. Our crews completed almost 1,500 individual repairs and replacements across the network -this included more than 750 repairs or replacements of conductors and service lines, 102 damaged crossarms, 90 incidents of downed or damaged poles, and more than 250 vegetation removals before restoration work could even begin.

Alongside a whole-of-business effort to support our customers and communities, we arranged the safe supply of power to other essential services, and to customers with life support and critical electricity needs. We also supported our impacted customers through reimbursing or waiving power reconnection fees and providing general assistance.

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Our Customer Contact team kept customers updated over the phone, responding to 17,000 calls, and personally answering 5,300 emails. Meanwhile our Community Relations team provided information, internet access and phone charging at local community hubs.

### 1.4.2 MOBILISATION 2: MID-NORTH COAST FLOODING

Our Mid North Coast teams monitored conditions and proactively de-energised the electricity network where required for safety as floodwaters rose, before working to restore power once it was safe to do so. Floodwaters had inundated electrical equipment (including substations) and washed away power poles and streetlights, while the weather brought down trees over powerlines and equipment. A marine cable crossing the bed of the Hastings River and supplying power to customers on the North Shore of Port Macquarie, was damaged in the flooding – supply is now backfed (via a 20km overhead radial line traversing flood-affected terrain) until a permanent solution is implemented. Up to 120 crew members were on the ground each day across more than 124 work sites, working to restore the network and resupply customers, often in challenging conditions. Aerial and all-terrain inspections helped to survey the network and support restoration efforts, while overlaying flood maps on our digital twin of network assets to inform decision-making.

As the flooding event developed, we enacted our emergency response plan, quickly mobilising our crews from across the state to work with emergency services to ensure safe access to electrical assets, assess damage and to prepare for the restoration work to come.

First and foremost, our response to the flooding event focussed on safety and support for our customers, including through regular communications, community engagement, and through efficiently restoring supply as quickly as prudently possible. We ramped up our call centre operations to support customer queries, distributed customer factsheets, and provided daily operational updates and media interviews throughout the flood response. We answered more than 7,600 phone calls and replied to more than 2,700 website enquiries. We also utilised electronic signboards to provide safety messages, established customer service hubs in heavily impacted areas, and visited evacuation centres and other community events to speak directly with our customers.



## 2. Additional Costs and Pass Through Amount

### 2.1 Summary of additional costs

Specific weather event project codes were set up to capture the non-BAU nature of the works to respond to the disasters and restore supply to customers. The eligible pass through amount in respect of this North Coast Weather Event is \$19.9M as outlined in Table 1 below.

**Table 1: Summary of additional costs due to the 2025 North Coast Weather Event**

| \$M FY24     | FY25        | FY26       | FY27       | TOTAL       |
|--------------|-------------|------------|------------|-------------|
| <b>Capex</b> | 15.4        | 0.6        | 0.1        | <b>16.0</b> |
| <b>Opex</b>  | 3.7         | 0.1        | 0.0        | <b>3.9</b>  |
| <b>Total</b> | <b>19.1</b> | <b>0.7</b> | <b>0.1</b> | <b>19.9</b> |

### 2.2 Cost inclusions

The costs summarised in Table 1 (above) were captured at the time under the specific weather event project codes, or captured post-event, ensuring that the true incremental cost of the weather event was visible. Costs included are:

- Labour - allocated to the specific weather event from timesheets
- Materials – includes items such as poles, crossarms, transformers and conductors, also includes on-costs as a percentage of materials
- Contractor costs - includes items such as helicopter inspections, crane hire, fuel truck hire, excavation costs, gravel/landscape supplies, replacement river cable and vegetation clearing
- Plant and equipment – items such as fleet and plants costs that have been directly charged to the disaster response
- Fleet fuel costs – Incremental fuel for fleet vehicles was calculated by matching employee timesheet details (with specific weather event project codes) to employee vehicles and mileage recorded for the dates of the weather events
- Travel costs - workforce travel, meals and accommodation in affected areas due to the cyclone and flood response
- IT and other expenses – includes items such as additional costs outside of contract, for higher use of software and communications
- Capitalised overheads – using the AER's established approach for overheads<sup>7</sup>, only the incremental variable component (25%) of overheads allocated to capex was included.

<sup>7</sup> AER Determination – Ausgrid January 2025 storm cost pass through – February 2026, p.3

As part of the preparation for this CPTA, further analysis was undertaken and additional disaster-related costs were identified, which included network tasks that had not been correctly captured plus streetlighting tasks. These were manually extracted and added.

## 2.3 Cost exclusions

The relevant time periods (from late February to the end of June 2025) and geography (North Coast) have provided the parameters for this CPTA – additional costs that were not caused by disaster events in that time and over that period, are excluded – see Figure 2. Table 1 does not include the ordinary labour costs of corporate/office-based staff who were involved in the disaster response. We did not include fleet allocations. We also identified tasks that were scheduled in those disaster areas, and we removed them to prevent any duplication with funding already potentially in place for the task. These ‘avoided costs’, in the order of \$57k have been deducted from the cost recovery sought – see section 2.6. We calculated these avoided costs in the same way that we calculated the costs that were incorrectly booked to other projects. Essential Energy did not make any claims on insurance for this weather event - as described in section 1.3.

## 2.4 Surety around the costs

### Capture of restoration and recovery costs

Discrete project codes were established to capture the costs associated with each mobilisation, ensuring direct expenses were identifiable. Further review was undertaken to ensure all costs had been captured and to remove costs that were not clearly incremental. A review of tasks logged in relation to each mobilisation was carried out to ensure that the associated costs were captured. New North Insights were also engaged to undertake a quality assurance review of this application and to ensure the incremental costs included were accurate and related directly to the 2025 North Coast Weather event.

## 2.5 Efficiency of costs

Despite the urgent nature of much of the expenditure, Essential Energy has worked to ensure that the costs incurred are efficient. Essential Energy’s network is subject to many different types of natural disasters. Our experiences inform how we respond, and we are always refining based on experiences. Our 2024-29 regulatory proposal included climate change modelling and the Determination allowed for investments in resilience – the relocation of the Lismore depot following the 2022 floods is an example of improving resilience. Whilst we have adjusted our network planning practices, we acknowledge that improving resilience more generally, will take some time; we have emergency response procedures in place, to ensure that when disasters happen, outages are minimised where possible – efficient outcomes for our customers.

We anticipated the extent of the impact of this disaster for the critical areas and began to mobilise our workforce early from across the state to support a quick response when safe. Proactive de-energisation prevented more extensive damage to network assets – reducing the likelihood of equipment failures, electrocution risks and secondary damage that would have



increased restoration costs. Our deployment of helicopters meant we could inspect large sections of network when roads were inaccessible, allowing for identification and prioritisation of work needed. The use of specialised hire vehicles such as tracked borers reduced outage duration whilst access was limited. Briefings to accredited service providers assisted in streamlining the reconnection process, minimising site visits, and improving customer outcomes.

Our emergency activities are described in section 1.4 and comprised temporary repairs to ensure safety in the short term, as well as more permanent restoration work to allow for appropriate scoping and planning. Our approach to insurance in section 1.3, ensures value for money for our customers. Section 1.4 also highlights the importance of mobilising early, collaboration with multiple parties, providing early access to information, and allowing for better planning and more efficient restoration for our customers.

## 2.6 Any offset of 2024-29 allowances?

The event has not resulted in the avoidance of any major planned investments, however, there has been approximately \$57k deducted from the total figure, based on tasks that were existing in the disaster-affected areas prior to the weather event, and that were completed or cancelled.

## 2.7 Materiality of the costs

In seeking approval for a positive pass event, clause 6.6.1 of the NER requires DNSPs to evidence that the cost of providing direct control services is “*materially higher*” as a result of the event. This materiality threshold is satisfied if the increased costs incurred by the DNSP (or forecast to be incurred) in a single regulatory year of the regulatory control period exceeds 1% of the annual revenue requirement for that regulatory year.<sup>8</sup>

Table 2 (below) compares our approved annual revenue requirements against the costs of the North Coast Weather event. As indicated in this table, the additional costs incurred in FY25 were material (greater than 1%) when compared to our approved annual revenue requirement for that year.

**Table 2: Materiality of additional costs due to the North Coast Weather Event**

| \$M NOMINAL TERMS                    | FY25         | FY26         | FY27         | FY28         | FY29         | 2024-29        |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Approved annual revenue unsmoothed   | 1,117.5      | 1,189.2      | 1,279.4      | 1,307.6      | 1,412.8      | <b>6,306.4</b> |
| 2025 North Coast Weather Event costs | 19.3         | 0.7          | 0.1          | 0.0          | 0.0          | <b>20.2</b>    |
| <b>Materiality (%)</b>               | <b>1.73%</b> | <b>0.06%</b> | <b>0.01%</b> | <b>0.00%</b> | <b>0.00%</b> | <b>0.32%</b>   |

## 2.8 Amount we are looking to recover

We are seeking approval to increase our allowed smoothed revenue across FY28 and FY29 by \$8.5M (positive pass through amount) as identified in Table 3 (below). This is reflective of the revenue that we

<sup>8</sup> See clause 6.6.1 of the NER, as well as the definition of “materially” provided in Chapter 10 of the NER.

would have received if the \$19.9M in costs could have been forecast and included in our 2024–29 regulatory proposal.

**Table 3: Proposed change in smoothed revenue**

| \$M NOMINAL TERMS                      | FY25           | FY26           | FY27           | FY28           | FY29           | 2024-29        |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Approved annual revenue smoothed       | 1,145.6        | 1,187.1        | 1,251.9        | 1,321.8        | 1,395.6        | <b>6,301.9</b> |
| Plus, 2025 North Coast Weather Event   | 0.0            | 0.0            | 0.0            | 4.1            | 4.4            | <b>8.5</b>     |
| <b>Updated annual revenue smoothed</b> | <b>1,145.6</b> | <b>1,187.1</b> | <b>1,251.9</b> | <b>1,325.9</b> | <b>1,399.9</b> | <b>6,310.4</b> |

The above recovery results in a typical residential customer paying an estimated average \$2.94 extra in their annual retail bill in FY28 and FY29, and a small business customer paying an estimated average \$5.84 extra in each of those years.

## 2.9 Customer engagement on cost recovery

As described in section 1.4 support for our customers over the course of these natural disasters has been our priority throughout. This includes their expectation for maintaining existing levels of reliability, as confirmed via engagement for our 2024-29 regulatory proposal.

We have also discussed this proposed CPTA with our Essential Stakeholder Panel (ESP) at their June 2026 meeting. We outlined the natural disaster event, the estimated costs of the recovery, and the equivalent shortfall in revenue through to FY29. We discussed with the ESP the indicative customer bill impact and confirmed that we would follow the same direction from the People's Panel on the Backstop Cost Pass Through recovery period; their preference was to recover additional costs in bills over the remaining two years of this regulatory period – 2027-28 and 2028-29.

### 3. Compliance Check

Table 4: Check against NER cost pass through requirements

| NER CLAUSE  | DESCRIPTION                                                                                                                                                                                                                     | INFORMATION PROVIDED                                                                                                                                                                                                                                                                                                            | SECTION/S                                            |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 6.6.1(a1)   | Identification as a pass through event - an event allowing for pass through of costs may be specified in the distribution determination (sub 5)                                                                                 | The 2025 North Coast Weather Event meets the definition of a “natural disaster” event as specified in Essential Energy’s 2024–29 determination.                                                                                                                                                                                 | Section 1 and specifically sections 1.1 and 1.2      |
| 6.6.1(a)    | A DNSP may seek AER approval for the pass through for a positive change event.<br>To qualify as a positive change event the DNSP must have incurred materially higher costs (NER defined) in providing direct control services. | Essential Energy incurred materially higher costs in providing direct control services, and accordingly the event qualifies as a positive pass through event.                                                                                                                                                                   | Section 2 and specifically sections 2.1 and 2.7      |
| 6.6.1(c)    | A DNSP must submit a statement within 90 business days of the relevant positive change event occurring                                                                                                                          | This application constitutes our written statement and provides evidence on timeframe of the 2025 North Coast Weather Event and date agreed with the AER <sup>9</sup> to extend the submission for the purposes of the pass through application.<br>The final date to submit the application is now 30 Sept 2026 – see 6.6.1(k) | This application                                     |
| 6.6.1(c)(1) | The statement must specify:<br>The details of the positive change event                                                                                                                                                         | The 2025 North Coast Weather Event which materially increased the costs of providing direct control services.                                                                                                                                                                                                                   | Section 1 and specifically sections 1.1, 1.2 and 1.4 |
| 6.6.1(c)(2) | The date on which the <i>positive change event</i> occurred                                                                                                                                                                     | The 2025 North Coast Weather Event over March to May 2025.                                                                                                                                                                                                                                                                      | Section 1 and specifically section 1.1               |
| 6.6.1(c)(3) | The eligible pass through amount in respect of that positive change event                                                                                                                                                       | Details and justification for the additional costs have been provided, as well as a table of the eligible positive pass through amount.                                                                                                                                                                                         | Section 2, and specifically sections 2.1 and 2.8     |

<sup>9</sup> Letter from AER to Essential Energy dated 22 April 2026

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| NER<br>CLAUSE   | DESCRIPTION                                                                                                                                                                                                                                                                                                        | INFORMATION PROVIDED                                                                                                                                                                 | SECTION/S                                                                |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 6.6.1(c)(4)     | The positive pass through amount the Distribution Network Service Provider proposes in relation to the positive change event                                                                                                                                                                                       | The positive pass through amount and how it is derived is set out in this application.                                                                                               | Section 2, and specifically section 2.8 (Table 3)                        |
| 6.6.1(c)(5)     | The amount of the <i>positive pass through amount</i> that the <i>Distribution Network Service Provider</i> proposes should be passed through to <i>Distribution Network Users</i> in the <i>regulatory year</i> in which, and each <i>regulatory year</i> after that in which, the positive change event occurred | Details of the eligible positive pass through amount are provided by financial year.                                                                                                 | Section 2, and specifically section 2.8 (Table 3)                        |
| 6.6.1(c)(6) i   | Evidence of the actual and likely increase in costs                                                                                                                                                                                                                                                                | The application provides information on the costs incurred and methodology for forecasting future costs related to the positive change event.                                        | Section 2, and specifically sections 2.1, 2.2, 2.4, 2.8 and Attachment B |
| 6.6.1(c)(6) ii  | Evidence that the costs occur solely as a consequence of the positive change event.                                                                                                                                                                                                                                | The application describes how costs have been captured, and the costs which have been excluded in order to isolate only the expenditure occurring directly as a result of the event. | Section 2, and specifically sections 2.1 to 2.4 and Attachment B         |
| 6.6.1(c)(6) iii | Evidence that it relates to the circumstances where the cause of costs is a retailer insolvency event                                                                                                                                                                                                              | Not applicable                                                                                                                                                                       | N/A                                                                      |
| 6.6.1(c)(7)     | Such other information as may be required under any relevant <i>regulatory information instrument</i> .                                                                                                                                                                                                            | The application discusses our approach to insurance coverage for natural disaster damage to network assets.                                                                          | Section 1.3                                                              |
| 6.6.1(c1)       | Any expenditure that may be for a restricted asset                                                                                                                                                                                                                                                                 | Essential Energy does not have any restricted assets.                                                                                                                                | N/A                                                                      |



## 4. Attachments

| ATTACHMENT | TITLE                                                                                         | DESCRIPTION                                                                                                                                  |
|------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b>   | Confidentiality Claim                                                                         | Identification and explanation of the confidential elements of this cost pass through application                                            |
| <b>B</b>   | Cost build-up spreadsheet                                                                     | Cost build-up of Essential Energy's actual and forecast costs to restore the network from this disaster                                      |
| <b>C</b>   | Amended PTRM – Incremental costs                                                              | Amended version of Essential Energy's latest PTRM adding in the incremental capex and opex for the 2024-29 regulatory control period         |
| <b>D</b>   | WMAwater - Analysis of weather event report                                                   | Expert weather impact assessment report on the North Coast weather event with a focus on rainfall, soil moisture content and wind conditions |
| <b>E</b>   | WMAwater – Analysis of weather event report – Appendix A                                      | Appendix from WMAwater reproducing all graphs shown in WMAwater – Analysis of weather event report, for clarity                              |
| <b>F</b>   | Rainfall Overlay for 2025 North Coast Weather Event                                           | Internal analysis of relevant data from the Bureau of Meteorology                                                                            |
| <b>G</b>   | New North Insights, Review of 2025 North Coast Weather Event cost pass through - Confidential | Independent verification and quality assurance of the cost pass through application                                                          |

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