

Level 17, Casselden
2 Lonsdale Street
Melbourne Vic 3000
GPO Box 520
Melbourne Vic 3001
tel: (03) 9290 1800
www.aer.gov.au

Our Ref: 13727209
Contact Officer: David Monk
Contact Phone: [REDACTED]

14 April 2022

Chantelle Bramley
Executive General Manager Corporate Affairs
Essential Energy
PO Box 5730
PORT MACQUARIE NSW 2444

Dear Chantelle

Re: Request for extension of time – 2022 North Coast Floods cost passthrough application

Thank you for your letter of 28 March 2022 requesting an extension of time to submit a cost pass through application to the Australian Energy Regulator (AER), pursuant to clause 6.6.1(k) of the National Electricity Rules.

The positive pass through event identified in your letter relates to a natural disaster event as specified in Essential Energy's 2019–24 Regulatory Determination. The letter seeks an extension of time to allow Essential Energy to assess and quantify the costs of network restoration following the recent floods on the North Coast of NSW, and to provide an opportunity for Essential Energy to exhaust all other avenues for flood cost recovery before a cost pass through application is submitted.

I understand that the recent floods have caused significant damage to elements of Essential Energy's network in the North Coast region. A significant amount of work and time is required to fully assess this damage and consider restoration options, as well as to pursue alternative cost recovery options such as insurance claims and government disaster funding, in preference to a pass through of costs to consumers. It is possible that the shortfall in costs after insurance claims and possible government funding may not meet the materiality requirements for an application in the future.

Based on the information provided by Essential Energy, the AER is satisfied that the proposed extension until 31 December 2022 is required in order to allow Essential Energy to assess and quantify the costs of network restoration following the flood event, and to allow Essential Energy time to exhaust alternative avenues of cost recovery through insurance and government funding.

In light of these circumstances, the AER has determined to extend the time that Essential Energy has to submit a cost pass through application relating to the NSW North Coast floods of February and March 2022 until 31 December 2022.

If you have any queries in relation to this matter, please contact Mr David Monk on

[REDACTED]

Yours sincerely

[REDACTED]

Arek Gulbenkogl
General Manager (A/g)
Network Expenditure

Sent by email on: 14.04.2022