

# Public Forum

## ElectraNet Revenue Proposal 1 July 2008 to 30 June 2013



Mr Steve Edwell, Chairman

# Agenda

## Registrations (8:30 – 9:00 am)

- Introduction and the AER's process – Steve Edwell
- ElectraNet's proposal – Ian Stirling and Rainer Korte

## Morning tea (10:30 – 10:45 am)

- Essential Services Commission of South Australia – Bob Burgstad
- Electricity Supply Industry Planning Council – David Swift
- Energy Users Coalition of South Australia – David Headberry
- Questions

## Forum closes (1:00 pm)

# Introduction

- Forum held to assist AER in making transmission determination for ElectraNet under chapter 6A of NER
- ACCC set ElectraNet's revenue cap in 2002 for 5 and ½ year period
- AER preliminary examination found ElectraNet's proposal satisfied submission guidelines and NER
- ElectraNet's proposal is published on the AER website and written submissions are invited from interested parties

# Timeline

- Submissions close on ElectraNet's proposal (17 August 2007)
- Release AER draft decision and consultant's report (November 2007)
- Public forum on AER draft decision (December 2007)
- Submissions close on draft decision (February 2008)
- Release AER final decision (April 2008)

# Preliminary observations

- Forecast capex: proposing to spend \$778m for next 5 years (\$443m incurred over past 5 years)
- AER review will focus on:
  - drivers eg. New SA Electricity transmission Code standards
  - Detailed review on a sample of projects
  - Proposed contingent projects satisfy chapter 6A objectives and triggers are defined appropriately

# Preliminary observations

- Opex: proposing operating expenditure requirement of \$320m (\$247m opex spent over past 5 years)
- AER will review:
  - past opex
  - reasons for step changes between two periods
  - appropriateness of increases for specific categories

# Preliminary observations

- Easement adjustment of \$82m
- AER review will:
  - have regard to NEL
  - previous statements and policy
  - previous ACCC decisions
- Re-admit previously optimised assets of \$21m to RAB
- AER assessment will:
  - have regard to previous ACCC approach
  - NER objectives

# Preliminary observations

- Roll in \$390m of capex in the current regulatory period
- AER will undertake
  - ex post prudence review
- AER welcome feedback on these issues



# Forum procedures

- After presentations, forum is open to questions from interested parties
- Purpose is not to engage in debate on the issues but to provide opportunity to raise any issues with the proposal or the revenue cap process
- A record of this meeting will be made
- Please register if you haven't done so already