



APPENDIX Q

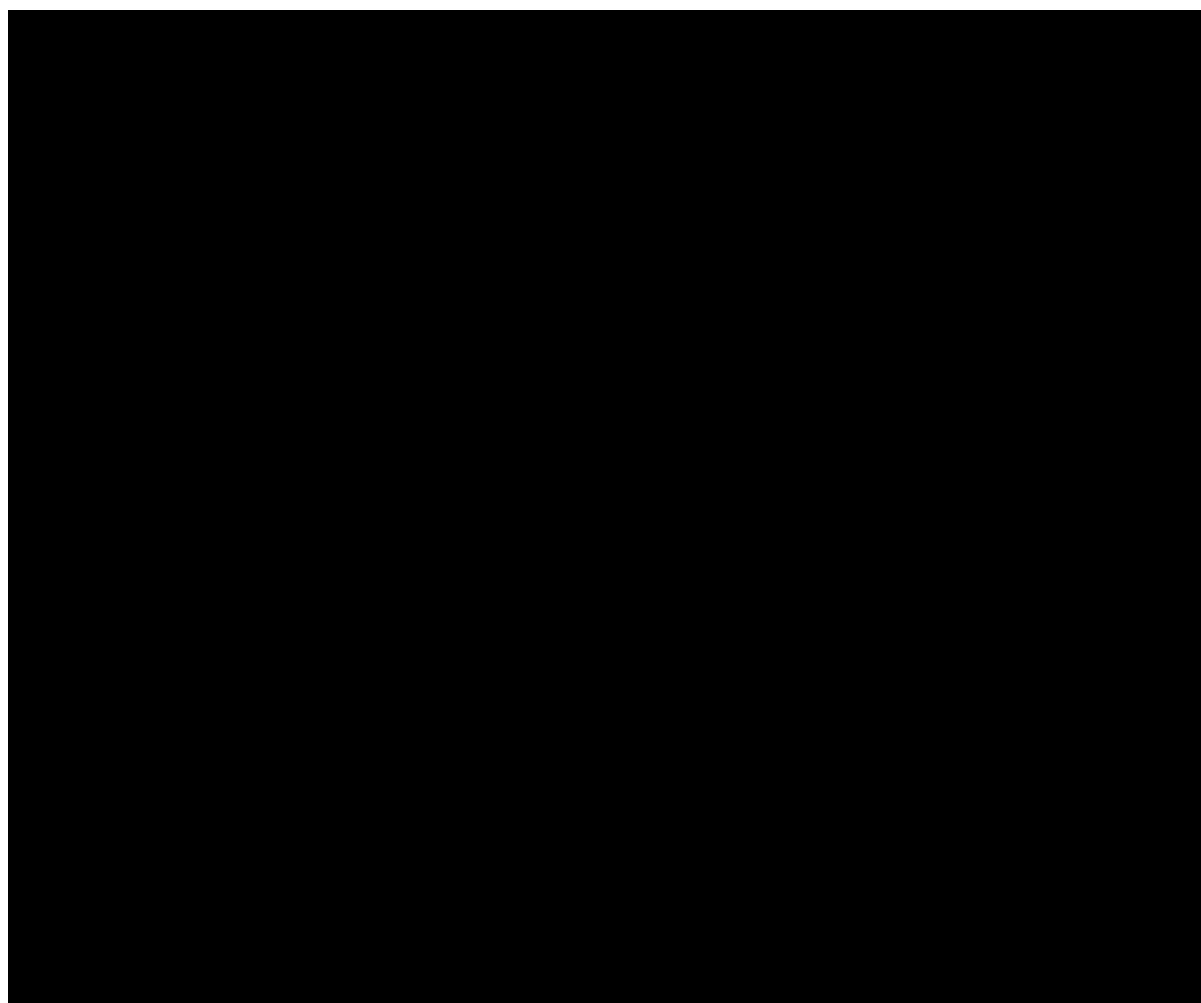
*EBSS Methodology for adjusting for actual demand growth for the 2013-2017 Regulatory Period
January 2012*

Efficiency Benefit Sharing Scheme

Methodology for adjusting for actual demand growth for the 2013-2017 Regulatory Period

Background

1. The AER's Efficiency Benefit Sharing Scheme (EBSS) operates to provide Transmission Network Service Providers (TNSPs) with a continuous incentive to reduce operating expenditure (opex). The scheme is designed to focus on controllable opex.
2. The EBSS requires adjustment of a TNSP's forecast opex for the cost consequences of the differences between forecast and actual demand growth over the regulatory period. These adjustments must be made using the same relationship between growth and expenditure used in establishing the forecast opex¹.
3. The purpose of this methodology is to describe how Powerlink proposes to adjust the AER's opex allowance for actual demand growth during Powerlink's next regulatory period.



¹ Electricity Transmission Network Service Providers: Efficiency Benefit Sharing Scheme, p.7, AER, September 2007.

