

22 November 2021

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Mr Sebastian Roberts
General Manager, Expenditure
Australian Energy Regulator (AER)
GPO Box 520
Melbourne VIC 3001

Via email: [REDACTED]

Dear Sebastian

RE: Cost pass through application – June 2021 storms

Severe storms on 9 and 10 June 2021 (June Storms) resulted in extensive damage to our network. In total, fourteen 66 kV feeders (power lines) were taken out of service, fifty-eight 22 kV feeders reported faults and 10 zone substations went black, resulting in 230,000 customers being off supply.

Our response to the June Storms ensured significant levels of support was provided to our customers and that the damage caused by the June Storms was addressed as soon as it was safe to do so.

Our response to the June Storms also resulted in us experiencing a material increase in costs. As a natural disaster pass through event, the costs associated with the June Storms are subject to the cost pass through provisions of the National Electricity Rules (NER) and the AER's Final Decision on our distribution determination 2016-20 (including its six-month extension). Accordingly, we submit with this letter our written statement / pass through application in respect of the increase (as per Clause 6.6.1 of the NER) for determination by the AER.

The total pass through revenue sought is \$36.2 million (\$2021, smoothed). We are proposing this amount be recovered in equal amounts (in nominal terms) over a 4-year period starting 1 July 2022. Recovering the costs over that period will help ensure prices are smoothed and there is greater stability in prices – outcomes we know our customers value. Importantly, bills for our distribution network are still expected to fall substantially over the course of the current regulatory period.

If the AER requires any additional information on this cost pass through application, we would be happy to provide it.

Please contact me if the AER would like to discuss any aspect of this cost pass through application.

Yours sincerely

[REDACTED]

Tom Hallam
General Manager, Regulation