

10 July 2020

Mr Mark McLeish  
Acting General Manager – Transmission and Gas Branch  
Australian Energy Regulator, GPO Box 520, Melbourne VIC 3001

Locked Bag 14051  
Melbourne City Mail Centre  
Victoria 8001 Australia  
T: 1300 360 795  
[www.ausnetservices.com.au](http://www.ausnetservices.com.au)

Dear Mark,

**Cost pass through application – 500kV transmission line tower collapse**

As advised in our earlier letter, a localised severe wind event on 31 January 2020 impacted AusNet Services double circuit 500kV transmission line in south western Victoria, causing the collapse of six towers and significant damage to a seventh. The transmission line sections are critical elements in the national grid, including the Vic-SA interconnector, delivering electricity to the aluminium smelter at Portland, and connecting gas and wind generators.

Following the event, AusNet Services immediately initiated plans to restore transmission services. The transmission line was restored to service via a bypass line using an Emergency Restoration System (ERS), a set of temporary structures and conductor attachment hardware that are held for contingency events. The two circuits were able to be returned to service on 17 February and 3 March 2020 respectively.

In parallel, AusNet Services commenced assessment and planning for the rebuild of the damaged towers with permanent replacement towers. The rebuild project is progressing to schedule and it is anticipated that the circuits will be transferred to the new towers by October 2020. This will restore the reliability level for the circuits and the availability of the ERS structures in the event of a future contingency need.

The towers collapse event has resulted in a material increase in costs to AusNet Services, and constitutes a natural disaster event under the cost pass through provisions of the National Electricity Rules and the AER's final decision on AusNet Services' transmission determination 2017 – 2022. Attached to this letter is AusNet Services' written statement in respect of the increase in costs in accordance with the provisions of Clause 6A.7.3 of the National Electricity Rules for review and determination by the AER.

The total pass through revenue sought is \$2.36 million. We propose that the positive pass through amount be recovered in AusNet Services' next regulatory year, ending 30 March 2022. The pass through amount is equivalent to \$0.75 per Victorian electricity customer.

Please contact Charlotte Eddy, Manager Economic Regulation, if the AER would like to discuss the materials provided as part of our statement. We would also be pleased to provide any further information that may be required by the AER to make its determination.

Yours Sincerely



Tom Hallam  
**General Manager Regulation**  
**AusNet Services**