

Jo De Silva  
Consumer Challenge Panel Sub Panel 4  
c/- AER

21 December 2016

Mr Chris Pattas  
General Manager  
Australian Energy Regulator  
GPO Box 520  
Melbourne Vic 3001

Dear Chris,

Further to my submission on the TasNetworks 2017-19 Draft Decision, please find below my comments on the Revised Regulatory Proposal (RRP).

As noted by David Headberry in his submission on the RRP, TasNetworks has amended its opex requirement to take account of actual expenditure in 2015-16. The author recommends that the AER review the actual expenditure for 2015-16 to ensure that additional expenditure for maintenance and vegetation management was incurred efficiently and prudently. Given the potential perception by consumers that there may have been an incentive in the current context for TasNetworks to expend beyond its forecast in 2015-16, the author considers it is important for the AER to review the actual additional expenditure to help ensure customer confidence in the regulatory process.

The author notes the comments by David Headberry in his submission on the RRP in relation to the EBSS carryover being recovered over two years rather than five. The author concurs with David Headberry regarding his concern with this recovery timeline. The author recommends that at a minimum, the AER should provide explanation for why the EBSS carryover is proposed for recovery over two years rather than five. The author notes that ideally this issue would have been addressed by the AER when considering the proposal from TasNetworks to alter the determination period from five years to two years, to align with transmission.

Yours sincerely,



Jo De Silva