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Dear Mr Anderson,

**AER proposed amendments to post-tax revenue models—electricity transmission and distribution businesses**

Jemena Electricity Networks (**JEN**) welcomes the opportunity to comment on the Australian Energy Regulator's (**AER's**) proposed amendments to the post-tax revenue models (**PTRMs**) for electricity transmission and distribution businesses.

JEN contributed to and supports the Energy Networks Association (**ENA's**) submission on these proposed amendments. Rather than re-state the points made by the ENA here, we comment on points that we feel particularly strongly about or those not covered by the ENA.

We appreciate the AER's efforts to reflect the AER's better regulation guidelines in the proposed PTRM, and support the proposed amendments that give effect to the rate of return guideline. We also propose that:

- the tax building block calculation excludes unregulated revenues from shared assets—consistent with the AER's shared asset guideline
- the PTRM handbooks clarify that network service providers (**NSPs**) can amend the PTRM to include depreciation methods other than real straight line depreciation and the PTRMs allow this flexibility—provided these methods are consistent with the NER, and
- smoothed and unsmoothed revenues are discounted (when equalising these in present value terms) using a pre-tax discount rate, rather than a nominal vanilla equivalent—consistent with cash flows being discounted (which are before tax is deducted).

We address each of these points in further detail in the attached submission, which contains no confidential information.

If you wish to discuss our submission further please contact me on (03) 8544 9164 or at [eli.grace-webb@jemena.com.au](mailto:eli.grace-webb@jemena.com.au).

Yours sincerely

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

**Eli Grace-Webb**  
Acting General Manager Regulation  
Jemena Limited