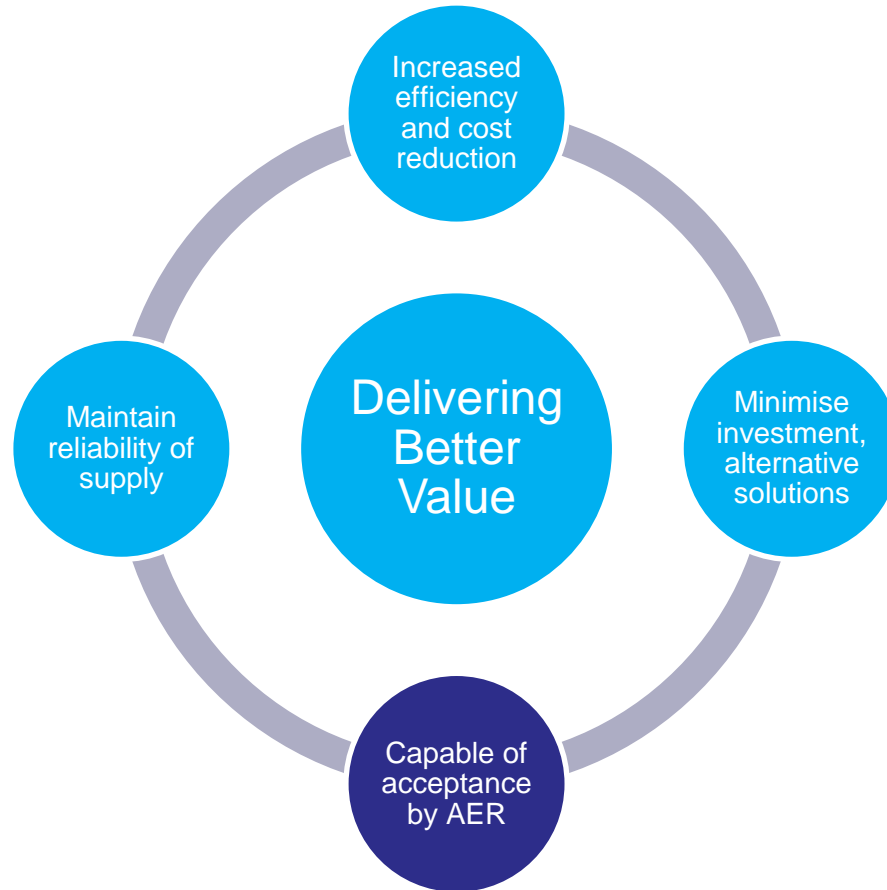
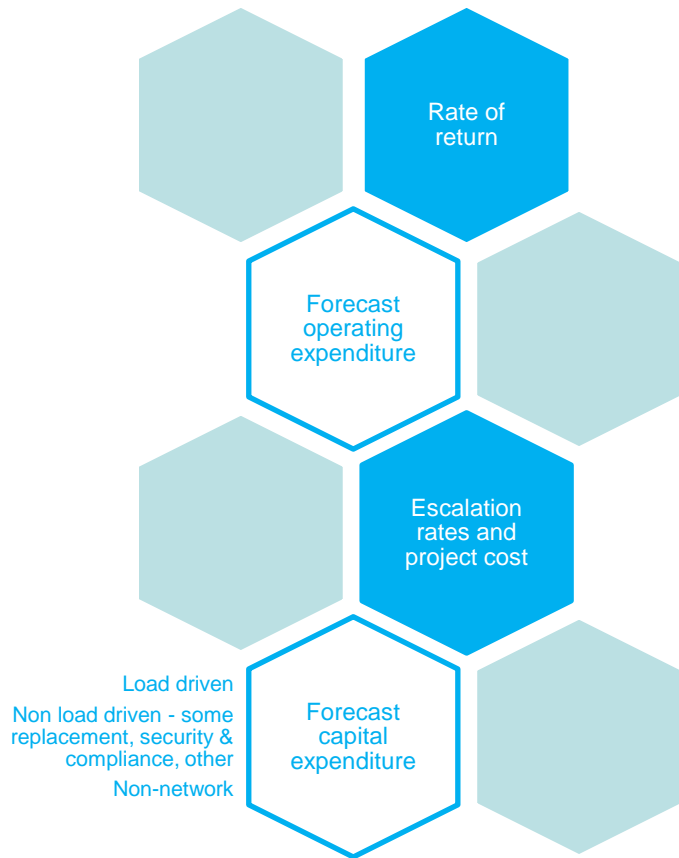


2018-22 POWERLINK QUEENSLAND REVENUE PROPOSAL

Powerlink Approach in Revenue Proposal



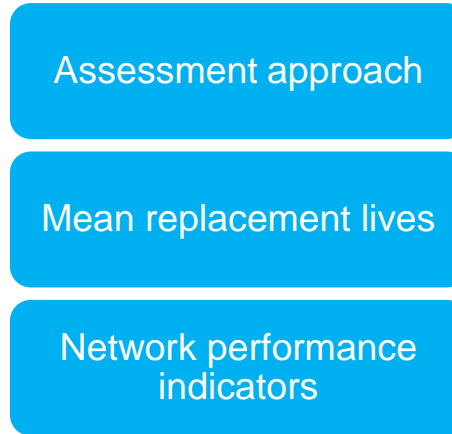
Areas of alignment with Draft Decision



- Consistent with our objective to put forward a proposal capable of acceptance by AER.
- Applied AER's Rate of Return Guideline
 - Propose any changes in the AER's approach apply to Powerlink's Final Determination.
- Total operating expenditure accepted
 - Reflects Powerlink's focus on increased efficiency and cost reduction.
- Unit costs and escalation rates accepted
 - Aligned with AER's approach.
 - Supported by benchmarking.
- Forecast capital expenditure
 - All categories, except reinvestment, accepted.

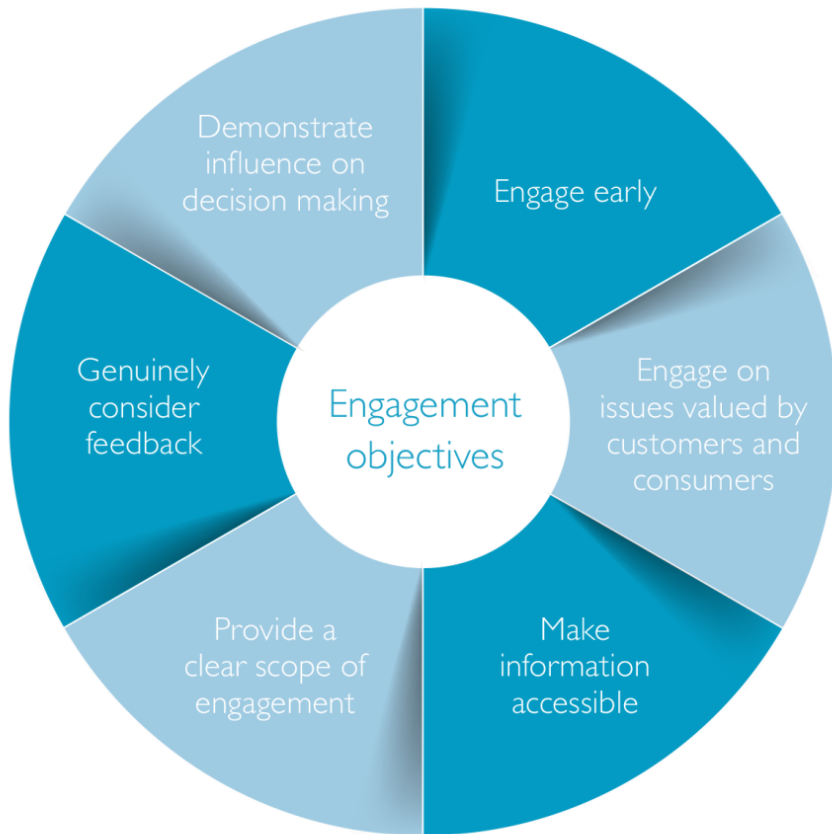
Forecast reinvestment capex

- Powerlink is concerned about the AER's decision to reduce proposed reinvestment capex by 23%



- Powerlink will provide a revised capital expenditure forecast to the AER in its Revised Revenue Proposal
 - expected that this will be lower than initially proposed based on current investment outlook.

Continued engagement



- AER has acknowledged Powerlink's engagement as having significantly built on previous program, with input having informed the Revenue Proposal.
- Powerlink has continued 'business as usual' engagement
- Engaged with broader stakeholder groups on:
 - Customer and consumer panel (C&CP)
 - Demand and energy forecasting
 - Transmission network forum
- Seeking feedback and input from our C&CP on 27 October, prior to submission of revised Revenue Proposal.

Questions