

# 2018-22

## POWERLINK QUEENSLAND REVENUE PROPOSAL

APPENDIX 9.01 - PUBLIC

### Powerlink Queensland Nominated Averaging Periods

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## Nominated Averaging Periods

### *Return on debt*

As per the Rate of Return Guideline (RoR Guideline) Section 6.3.3, Powerlink has nominated its cost of debt averaging periods in Table 1 below. Powerlink requests that the averaging periods nominated below remain confidential.

The averaging periods meet the requirements of the RoR Guideline detailed below:

- The period should be between 10 consecutive business days and 12 months in length;
- It should be specified prior to the commencement of the regulatory period;
- At the time it is nominated, all dates in the averaging period must take place in the future;
- It should be as close as practical to the commencement of each regulatory year in a regulatory period;
- An averaging period needs to be specified for each regulatory year within a regulatory period;
- The proposed averaging periods for different regulatory years are not required to be identical but should not overlap;
- The nominal return on debt is to be updated annually using the agreed averaging period for the relevant regulatory year; and
- Each agreed averaging period is to be confidential.

**Table 1: Powerlink’s return on debt averaging period for the 2018-22 regulatory period**

Regulatory year	Averaging period
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

In nominating its averaging periods Powerlink has been mindful of the changes to the National Electricity Rules (NER) contained in the National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014 No.9 Schedule 2 [2] (effective from January 2017). These changes require the prices for each category of prescribed transmission service to be published no later than 15 March in the year proceeding the next regulatory year.

### *Risk free rate averaging period*

To establish the Risk Free Rate (Rf), the RoR Guideline requires that the averaging period be:

- 20 consecutive business days in length; and
- As close as practical to the commencement of the regulatory period.

In line with the above criteria, Powerlink nominates the averaging periods, outlined in Table 2.

**Table 2: Powerlink’s risk free rate averaging period for the 2018-22 regulatory period**

Averaging period
[REDACTED]