

2023-27

POWERLINK QUEENSLAND REVISED REVENUE PROPOSAL

Appendix 3.01 – PUBLIC

Customer Panel Statement on Capable of Acceptance

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17 November 2021

**TO: Matthew Myers
Manager, Revenue Reset**

FROM: Powerlink Customer Panel

RE: CUSTOMER PANEL STATEMENT ON POWERLINK'S 2023-27 REVISED REVENUE PROPOSAL

Customer Panel Statement on Powerlink's 2023-27 Revenue Proposal

In May 2021, the Powerlink Customer Panel provided a submission to the AER regarding Powerlink's 2023-27 Regulatory Proposal. The Panel stated that *'Powerlink's Regulatory Proposal does not represent an 'ambit claim'. Contingent upon the AER's analysis confirming that the Proposal overall is prudent and efficient, we believe that Powerlink's Regulatory Proposal is reasonable, and it has our support.'*

The Customer Panel felt that, before the AER had carried out its technical analysis, we were not in a position to determine whether the Proposal was 'capable of acceptance'.

AER Draft Decision

In its Draft Decision published in September 2021, the AER stated that *'we consider that Powerlink's proposal is capable of acceptance, and we have accepted all major aspects of it in our draft decision'*.

Based on this statement from the AER, the Panel now accepts that Powerlink's Proposal is prudent and efficient.

Engagement on Revised Revenue Proposal

During the period prior to the AER Draft Decision, and also post the Draft Decision, Powerlink has continued to engage meaningfully and openly with the Customer Panel and the Revenue Proposal Reference Group (RPRG) while developing its Revised Revenue Proposal.

Powerlink briefed the Customer Panel on its intended position on each of the aspects of the AER Draft Decision at a Customer Panel meeting on 22 October, and provided an opportunity for Panel members to interrogate the proposed approach. We note that Powerlink plans to generally accept all elements of the Draft Decision, with the application of standard updates. We support Powerlink's proposed approach.

At the RPRG meeting in September, Powerlink advised the Group of its intention to engage with the Customer Panel at the 'empower' level of the IAP2 spectrum with regard to application of the DMIAM in the Revised Proposal. Powerlink committed to adopt the course of action recommended by the Customer Panel.

After undertaking its own independent analysis, the Customer Panel recommended that Powerlink not seek to apply the DMIAM in the Revised Revenue Proposal. It is our understanding that Powerlink will adopt this recommendation for the Revised Proposal.

Proposal is Capable of Acceptance

The Customer Panel is now prepared to update our assessment of Powerlink's Proposal. We consider that, based on the information that has been provided to the Customer Panel, the Revised Revenue Proposal is capable of acceptance.

The Customer Panel notes that there is an ongoing discussion between Powerlink and the AER in relation to the potential reclassification of certain assets and that this matter is confidential. As a result, we have not been briefed on the details, and are unable to express a view on this aspect of the Revised Regulatory Proposal.

Signed

Powerlink Customer Panel

Dean Gannaway – Aurizon

Andrew Barger – Qld Resources Council

Henry Gorniak – CS Energy

David Hiette – BMA

Robyn Robinson – COTA Queensland

Mark Grenning - EUAA

Ian Christmas - Edify Energy

Georgina Davis – Queensland Farmers' Federation

Claire Hamilton – Shell

Chris Hazzard – St Vincent de Paul

John Gardner – CSIRO