



OFFICE OF THE CHIEF EXECUTIVE

Ref. A4793466

19 November 2021

Ms Clare Savage
Chair
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Dear Clare,

Powerlink's 2023-27 Revised Revenue Proposal

I am pleased to provide our Revised Revenue Proposal, Revised Proposed Pricing Methodology and supporting information for the five year regulatory period from 1 July 2022 to 30 June 2027.

In May 2019, we set a clear objective to deliver a Revenue Proposal that was capable of acceptance by our customers, the Australian Energy Regulator (AER) and ourselves. We committed to drive further affordability through a 3% reduction in forecast capital expenditure and no real growth in operating expenditure.

We are pleased the AER considered our Revenue Proposal is capable of acceptance in its Draft Decision and accepted all major aspects of it. Similarly, our Customer Panel has now also confirmed that capable of acceptance has been met from its point of view.

We carefully reviewed the matters raised by the AER in its Draft Decision and have accepted almost all elements. As a result, our revised Maximum Allowed Revenue (MAR) is less than half a per cent different to the AER's Draft Decision MAR, with the primary difference between our revised forecasts and the AER's Draft Decision being an update for inflation.

As part of the development of our Revised Revenue Proposal, we continued to engage with customers, stakeholders, the AER's Consumer Challenge Panel (CCP23) and AER staff.

In particular, we empowered our Customer Panel to decide whether we should, or should not, seek to apply the Demand Management Innovation Allowance Mechanism (DMIAM) in our 2023-27 regulatory period. The Customer Panel recommended we do not seek to apply the DMIAM and this is the approach we have adopted in our Revised Revenue Proposal.

Overall, our Revised Revenue Proposal reflects our ongoing commitment to be customer-focused and will enable us to continue to provide safe, secure, reliable and cost-effective transmission services to our directly-connected customers and almost five million Queenslanders.

We look forward to the opportunity to talk directly with your Board and continue to work with the AER, customers and stakeholders in the review of our Revised Revenue Proposal.

If you have any queries in relation to this matter, please do not hesitate to contact me or Jennifer Harris.

Yours sincerely

A black rectangular box redacting the signature of Paul Simshauser.

Paul Simshauser
CHIEF EXECUTIVE

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