



Ref. A2019924

8 August, 2014

Mr Chris Pattas  
General Manager - Networks Branch  
Australian Energy Regulator  
GPO Box 520  
MELBOURNE VIC 3001

[TransGridrevenuereset@aer.gov.au](mailto:TransGridrevenuereset@aer.gov.au)

Dear Chris,

### **Submission to TransGrid's Revenue Proposal**

Thank you for the opportunity to comment on TransGrid's proposed Pricing Methodology which forms part of the current TransGrid revenue determination process.

Transmission pricing principles should be NEM wide rather than regional

Powerlink understands that TransGrid's customer engagement process identified transmission pricing issues of concern by directly connected NSW customers and by other stakeholders. Powerlink notes that transmission pricing under chapter 6A is a NEM wide matter that is intended to be consistently applied across all NEM regions as many directly connected customers operate in more than one jurisdiction.

Powerlink's view is that TransGrid's transmission proposed Pricing Methodology and supporting paper address a number of issues that either would require a NEM Rule or guideline change or would be best dealt with in the context of a broader review of NEM transmission pricing arrangements. Powerlink therefore supports a broader review of transmission network pricing arrangements.

### Other issues

TransGrid's proposal is to amend its pricing structure to move to demand based postage stamp charges. TransGrid further identifies that this change is likely to result in material changes to the overall level of transmission charges at some connection points. To deal with this issue TransGrid proposes to cap the overall increase in transmission charges to any customer to CPI + 3% with the capped amount being recovered from other customers by an upward adjustment to non-locational charges at other customers' connection points.

Powerlink does not consider that the proposed capping of or adjustment to non-locational charges under clause 6A.23.4 (h) is compliant with the Rules.

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This Rule specifically relates to the adjustment to non-locational charges arising from the application of the 2% side constraint on locational prices under 6A.23.4 (f). As a result, TransGrid's proposal in this regard would need to be subject to the Australian Energy Market Commission Rule change process.

If you have any questions with respect to this submission please call Jennifer Harris on (07) 3860 2667.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Mulherin', written in a cursive style.

Garry Mulherin  
**EXECUTIVE MANAGER INVESTMENT AND PLANNING**

Enquiries: Jennifer Harris Telephone: (07) 3860 2667