



## RESPONSE TO

### **AER Process Guideline for Contingent Project Applications under the National Electricity Rules**

9 July 2007

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Powerlink Queensland appreciates the opportunity to comment on the Draft Process Guideline for Contingent Project Applications under the National Electricity Rules (the Guideline). Powerlink supports the ETNOF submission to the draft Guideline and wishes to raise another matter that specifically affects Powerlink.

#### **Clause 2.3 Threshold amount**

Powerlink's Revenue Cap 2007/08 – 2011/12 includes contingent projects determined in accordance with the transitional provisions under the Rules. In that decision the AER determined a number of contingent projects. Powerlink's Draft Decision of 8 December 2006 and Final Decision of 14 June 2007 do not require the contingent projects to be assessed against the threshold described in the draft Guideline.

This is particularly important for assets associated with potential undergrounding on various individual projects which cannot be required to meet the materiality threshold in the draft Guideline. To do otherwise would make the use of the contingent project provisions for undergrounding, as applied to Powerlink, inoperable.

Clause 2.3 of the draft Guideline is inconsistent with the Rules that apply to Powerlink's Revenue Cap Decision<sup>1</sup>.

To correct this inconsistency, sections 2.3, 6 and 6.2 and any other areas of the draft Guideline related to the threshold amount must be amended before finalising the Guideline. At a minimum these clauses must recognise that TNSP revenue decisions may provide for differing conditions as a result of the operation of transitional provisions.

<sup>1</sup> National Electricity Rules Clause 11.6.12