

# INCOME STATEMENT - PRESCRIBED TRANSMISSION SERVICES



for the period ended: **30 June 2020**

Account code or reference to Account Code	Description	Disaggregation Statement - Prescribed Transmission Services	Journal number	Regulatory adjustments	Regulatory financial statements	Support reference
		\$'000		\$'000 Dr/(Cr)	\$'000	
	Network Charges	735,222			735,222	
	Grid Support Under Recovery Accrual					
	External Project Work					
	Other Revenue					
	Customer Works					
	Other	(20)	2020-01	128	108	
	<b>Total Revenue</b>	735,202		128	735,330	
	Opex Costs					
	- Network Operations	15,393			15,393	
	- Network Maintenance	118,745			118,745	
	- Corporate / Business Support	58,235			58,235	
	- Insurance and Self Insurance	8,823	2020-02	361	9,184	
	- Debt Management Costs	544			544	
	- Grid Support	672			672	
	- Other Costs					
	Depreciation	331,027			331,027	
	Net Loss/(Gain) on Disposal of Property, Plant & Equipment	(912)		128	(784)	
	<b>Total Operating Costs</b>	532,527		489	533,016	
	<b>Earnings before Interest and Tax (EBIT)</b>	202,675		(361)	202,314	
	<b>Taxation</b>					

Note: The above numbers have been derived from Powerlink Queensland's financial reporting systems.

## DISAGGREGATION STATEMENT - INCOME



for the period ended: **30 June 2020**

Account code or reference to Account Code	Description	Adjusted Audited financial statements	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Workpaper reference
		\$'000	\$'000	\$'000	\$'000		
	Network Charges	929,583	735,222				
	Grid Support Under Recovery Accrual						
	External Project Work						
	Other Revenue						
	Customer Works	12,583					
	Other	12,429	(20)				
	<b>Total Revenue</b>	<b>954,595</b>	<b>735,202</b>				
	Opex Costs						
	- Network Operations	17,683	15,393				
	- Network Maintenance	129,603	118,745				
	- Corporate / Business Support	67,906	58,235				
	- Insurance and Self Insurance	8,823	8,823				
	- Debt Management Costs	544	544				
	- Grid Support	672	672				
	- Other Costs	15,008					
	Depreciation	370,254	331,027				
	Net Loss/(Gain) on Disposal of Property, Plant & Equipment	(912)	(912)				
	<b>Total Operating Costs</b>	<b>609,581</b>	<b>532,527</b>				
	<b>Earnings before Interest and Tax (EBIT)</b>	<b>345,014</b>	<b>202,675</b>				
	Interest and Dividend Income	4,777				4,777	
	Finance Charges	(222,991)				(222,991)	
	Share of Net Profit/(Loss) of Associates						
	<b>Profit(loss) before Income Tax Expense</b>	<b>126,800</b>					
	Australian income tax expense	61,305				61,305	
	Deferred income tax	(23,081)				(23,081)	
	Other income tax						
	Non-controlling interests	(3)				(3)	
	<b>Profit(loss) after income tax expense</b>	<b>88,573</b>					
	Dividends Provided for / Paid	162,574				162,574	
	Retained Earnings Adjustments	364,021				364,021	
	<b>Retained Profit(Loss)</b>	<b>290,020</b>					

## OPERATIONS AND MAINTENANCE EXPENDITURE



for the period ended: 30 June 2020

Account code or reference to account code	Account Heading	Ticks to indicate which rows are intersegmental costs	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Total
			\$'000	\$'000	\$'000	\$'000	\$'000
	<b>Directly Attributed Costs</b>						
	Network Operations		15,393				17,683
	Network Maintenance		118,745				129,603
	Corporate / Business Support		58,235				58,235
	Insurance and Self Insurance		9,184				9,184
	Debt Management Costs		544				544
	Grid Support		672				672
	Other costs						15,008
	Depreciation		331,027				370,254
	Net Loss/(Gain) on Disposal of Property, Plant & Equipment		(784)				(784)
	Subtotal of <b>Directly Attributed</b> costs		533,016				600,399
	<b>Allocated Costs</b>						
	Network Operations	<i>Basis of allocation</i> <i>Causal</i>					
	Network Maintenance	<i>Causal</i>					
	Corporate / Business Support	<i>Causal</i>					9,671
		<i>Work paper Ref.</i> <i>DISAGG Alloc1</i>					
	Subtotal of <b>Allocated</b> costs						9,671
	<b>Total Opex Costs per DISAGG Fperf</b> <sup>1</sup>		533,016				
						<b>Total</b>	610,070

Explanation of opex costs required by the **Commission** (for example, bushfire costs, insurance etc)

<sup>1</sup> Including Regulatory Adjustments as per RFS Inc

# CAUSAL ALLOCATION



for the period ended: 30 June 2020

A copy of this workpaper is to be produced for each Causal basis that has been used to allocate costs between Business Segments.

1. Causal basis of allocation GROSS BOOK VALUE

2. Complete the table set out below to indicate:
- the Account Headings and the amounts subject to this Causal basis; and
  - the description and quanta of allocator that has been used

Account code or reference to account code	Account Heading	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
	Numeric quantity of allocator (eg no of man-hours)					1,366,967
	Network Operations					
	Network Maintenance					9,671
	Corporate / Business Support					9,671
						9,671

3. Provide a detailed description and explanation of the basis of allocation:

Powerlink does not separately account for the above "Negotiated" and "Non-Regulated" Corporate / Business Support operating costs. These costs have been allocated on the basis of Opening Gross Book Value.



for the period ended: 30 June 2020

Journal number	Account Debited Account Credited	Amount		Supporting Statement No.
		Debit \$'000	Credit \$'000	
2020-01	<p>Proceeds from Non-Current Asset Disposal Other revenue</p> <p>Reclassification adjustment to move reversal of asset disposal accrual to Proceeds from Non-current Asset disposal</p>	128	128	
2020-02	<p>Insurance and Self Insurance Self Insurance Provision</p> <p>Provision for self insurance has been provided in the Powerlink Queensland Transmission Network Revenue Cap 2017-18 to 2021-22. This provision has only been made in the regulatory accounts due to AASB 137 - Provisions, Contingent Liabilities and Contingent Assets not allowing any provision for unidentifiable or unmeasurable costs.</p>	361	361	

**Note:**

This schedule must contain for each Regulatory Adjustment made on the Income Statement, the following:

- a) a journal entry showing accounts debited and credited
- b) an explanation of why the adjustment has been made.

# PRICE REDUCTION/RECOVERY - PRESCRIBED TRANSMISSION SERVICES



for the period ended:

30 June 2020

	\$'000 Customer TUOS general charges	\$'000 Common service charges
<b>Reduction in prices payable</b>		
<b>Recovery of above reduction in prices from other transmission customers <sup>1</sup></b>		

**Note:**

Each instance of a price reduction/recovery should be detailed.

<sup>1</sup> The amount of any reduction in a transmission customer's Customer TUOS general charges and/or common service charges recovered from other transmission customers under clause 6A.26.1 of the Rules.

**COMMENTS**



for the period ended:

30 June 2020

Number of discounts recovered in previous year	
For each discount recovered: Date of AER approval, if given Expiry date Party receiving the discount Beneficiary of discount Amount of discount offered in previous year Amount recovered from the other customers in previous year Load subject to discount (max, min, average)	
For each discount approved by the AER: Compliance with conditions - for each condition imposed provide information demonstrating that the condition has been met.	
For each discount recovered: Date of AER approval, if given Expiry date Party receiving the discount Beneficiary of discount Amount of discount offered in previous year Amount recovered from the other customers in previous year Load subject to discount (max, min, average)	
For each discount approved by the AER: Compliance with conditions - for each condition imposed provide information demonstrating that the condition has been met.	
For each discount recovered: Date of AER approval, if given Expiry date Party receiving the discount Beneficiary of discount Amount of discount offered in previous year Amount recovered from the other customers in previous year Load subject to discount (max, min, average)	
For each discount approved by the AER: Compliance with conditions - for each condition imposed provide information demonstrating that the condition has been met.	

## SUMMARY OF PROVISIONS



for the period ended:

30 June 2020

	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount set aside to provisions				93,488	93,488
Expenditure incurred debited to provisions				(115,153)	(115,153)
Amounts written back from provisions / unwinding of discount				99	99
Net movement in provisions				(21,566)	(21,566)
Balance at start of period				158,198	158,198
Balance at end of period				136,632	136,632
Comprising:					
Current provisions				134,397	134,397
Non-current provision				2,235	2,235
<b>Total per balance sheet</b>				136,632	136,632

**Note:** Provisions are all attributed to 'Not Allocated' for disaggregation purposes.



RELATED PARTY TRANSACTIONS



for the period ended: 30 June 2020

Details of related party	Description of transaction	Prescribed	Procurement process	Monetary value of transaction
				\$'000
	Revenue			
	- Sale of Goods and Services	Part	Competitive Process	663,048
	- Dividend and Interest Income	Part	N/A	4,767
	Expense			
	- Purchases of Goods and Services	Part	Competitive Process	76,617
	- Borrowing Costs	Part	N/A	217,925
	Capital			
<b>Balances with related parties at regulatory accounting date</b>				
				\$'000
	Current assets			
	- Receivables			48,218
	- Advances			336,818
	- Cash and cash equivalents			16,883
	Non-current assets			
	<b>Total assets</b>			<b>401,919</b>
	Current liabilities			
	- Payables			0
	Non-current liabilities			
	- Loans			5,265,221
	<b>Total liabilities</b>			<b>5,265,221</b>
<b>Commitments with related parties at regulatory accounting period</b>				
Value of commitments with related parties that are expected to result in related party transactions in future regulatory accounting periods:				
		Recognised as liabilities	Not recognised as liabilities	Total
		\$'000	\$'000	\$'000
	Payable:			
	Not later than one year			
	Later than one year and not later than five years			
	Later than five years			
	<b>Total commitments</b>			

## REVENUE RECONCILIATION



for the period ended:

30 June 2020

Description	Unit type	
CPI (March Tx)	CPI – All Groups Weighted Average of 8 Capital Cities (ABS)	112.1
CPI (March Tx+1)	As above	114.1
Change in CPI	Per cent	1.78%
X-factor	Per cent	0.36%
AR (Tx)	\$	763,440
AR (Tx+1)	\$	774,232
S-factor (Tx)	\$±	4,259
<b>Revenue Cap Tx+1</b>	\$	<b>778,490</b>

HISTORIC CAPEX by asset class



for the period ended: 30 June 2020

Actual Gross Capital Expenditure – As Incurred (\$m Nominal)									
Asset Class	Year	Year-1	Year 1	Year 2	Year 3	Year 4	Year 5		
Transmission Lines - Overhead		1.3	8.0	8.8	14.5				
Transmission Lines - Underground		(0.0)			0.5				
Transmission Lines - Refit		43.0	66.5	95.9	12.5				
Substations Primary Plant		51.7	37.5	17.0	46.7				
Substations Secondary Systems		36.5	20.7	23.5	46.4				
Communications Other Assets		2.1	1.3	1.3	3.2				
Comms - Civil Works									
Network Switching Centres		0.2	0.0	0.0	9.7				
Land		0.1	0.0	(0.1)	0.0				
Easements		5.9	(0.3)	0.6	2.0				
Commercial Buildings		1.3	1.1	1.9	2.1				
Computer Equipment		23.1	11.2	12.0	25.8				
Office Furniture & Miscellaneous				0.0					
Office Machines									
Vehicles		1.3	2.9	5.0	3.1				
Moveable Plant		1.5	0.9	1.1	1.0				
Insurance Spares									
<b>Sub total</b>		<b>167.9</b>	<b>149.8</b>	<b>167.0</b>	<b>167.5</b>	<b>0</b>	<b>0</b>	Total Yrs 1-5	Total
								484.3	652.1

Actual Asset Disposal – As Incurred (\$m Nominal)									
Asset Class	Year	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5		
Transmission Lines - Overhead									
Transmission Lines - Underground									
Transmission Lines - Refit									
Substations Primary Plant									
Substations Secondary Systems									
Communications Other Assets			1.5	0.4	0.7				
Comms - Civil Works									
Network Switching Centres									
Land		0.4	0.3	0.1	0.3				
Easements									
Commercial Buildings									
Computer Equipment									
Office Furniture & Miscellaneous									
Office Machines									
Vehicles		0.6	0.6	0.3	0.7				
Moveable Plant									
Insurance Spares									
<b>Sub total</b>		<b>1.0</b>	<b>2.4</b>	<b>0.8</b>	<b>1.7</b>			Total Yrs 1-5	Total
								4.9	5.9

Actual Gross Capital Expenditure – As Commissioned (\$m Nominal)									
Asset Class	Year	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5		
Transmission Lines - Overhead		0.6	8.7	2.6	2.8				
Transmission Lines - Underground									
Transmission Lines - Refit		16.1	0.1	17.1	0.6				
Substations Primary Plant		36.4	37.6	86.6	15.1				
Substations Secondary Systems		63.7	31.4	68.0	21.9				
Communications Other Assets		6.1	1.3	3.1	0.9				
Comms - Civil Works		0.0	0.0	0.0					
Network Switching Centres									
Land		(0.8)	0.0	0.5					
Easements		11.4	3.5	0.4	1.6				
Commercial Buildings		5.7	2.3	0.6	0.3				
Computer Equipment		14.7	30.8	26.9	23.8				
Office Furniture & Miscellaneous			0.0		2.2				
Office Machines		3.0	0.4		0.1				
Vehicles		1.4	2.9	2.7	4.9				
Moveable Plant		1.1	1.9	0.6	1.3				
Insurance Spares									
<b>Sub total</b>		<b>159.4</b>	<b>120.9</b>	<b>209.2</b>	<b>75.5</b>			Total Yrs 1-5	Total
								405.6	565.0

Actual Asset Disposal – As De-Commissioned (\$m Nominal)									
Asset Class	Year	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5		
Transmission Lines - Overhead									
Transmission Lines - Underground									
Transmission Lines - Refit									
Substations Primary Plant									
Substations Secondary Systems									
Communications Other Assets			1.5	0.4	0.7				
Comms - Civil Works									
Network Switching Centres									
Land		0.4	0.3	0.1	0.3				
Easements									
Commercial Buildings									
Computer Equipment									
Office Furniture & Miscellaneous									
Office Machines									
Vehicles		0.6	0.6	0.3	0.7				
Moveable Plant									
Insurance Spares									
<b>Sub total</b>		<b>1.0</b>	<b>2.4</b>	<b>0.8</b>	<b>1.7</b>			Total Yrs 1-5	Total
								4.9	5.9

HISTORIC CAPEX - NON-NETWORK- by project



for the period ended:

30 June 2020

\$M nominal

Project ID	Project Description	Commissioning Date	Category^	Yearly expenditure by project (exclusive of FDC)						TOTAL	REASON FOR PROJECT	Reg Test / Business Case (Y/N)	Reg Test / Business Case Cost Estimate	Reason for Variance from Cost Estimate / Expected Commissioning Date
				Any Part Year	Year 1	Year 2	Year 3	Year 4	Year 5					
			IT	2.45	0.66	0.09	-			0.74	Obsolescence/Strategic	Bus Case		
			IT	1.59	1.14	0.08	-			1.22	Obsolescence/Strategic	Bus Case		
			IT	4.94	0.66	-	-			0.66	Operational	Bus Case		
			IT	0.95	0.64	-	-			0.64	Operational	Bus Case		
			IT	1.02	0.51	1.06	0.00			1.58	Operational	Bus Case		
			IT		0.25	0.00	-			0.26	Age/Condition/Obsolescence	Bus Case		
			IT		0.60	0.00	-			0.60	Operational	Bus Case		
			IT		0.30	-	-			0.30	Operational	Bus Case		
			IT		0.32	-	-			0.32	Obsolescence/Strategic	Bus Case		
			IT		0.90	(0.00)	-			0.90	Operational	Bus Case		
			IT		1.16	0.01	-			1.17	Age/Condition/Obsolescence	Bus Case		
			IT		1.10	0.31	0.38			1.79	Security	Bus Case		
			IT		0.63	0.33	-			0.95	Security	Bus Case		
			IT		0.53	0.00	-			0.54	Obsolescence/Strategic	Bus Case		
			IT	0.08	0.86	0.12	-			0.98	Obsolescence/Strategic	Bus Case		
			IT			0.19	1.54			1.73	Age/Condition/Obsolescence	Bus Case		
			IT			0.90	-			0.90	Operational	Bus Case		
			IT			0.14	0.87			1.01	Strategic	Bus Case		
			IT			0.28	1.17			1.45	Operational	Bus Case		
			IT			1.29	0.59			1.89	Age/Condition/Obsolescence	Bus Case		
			IT			0.31	0.01			0.32	Age/Condition/Obsolescence	Bus Case		
			IT			0.23	0.42			0.65	Strategic	Bus Case		
			IT			0.33	(0.33)			-	Operational	Bus Case		
			IT			0.28	0.09			0.37	Operational	Bus Case		
			IT			0.43	0.00			0.43	Operational	Bus Case		
			IT			0.21	0.92			1.13	Operational	Bus Case		
			IT			0.42	1.00			1.43	Strategic	Bus Case		
			IT			0.23	0.83			1.06	Age/Condition/Obsolescence	Bus Case		
			IT			0.27	-			0.27	Operational	Bus Case		
			IT			0.52	0.04			0.56	Strategic	Bus Case		
			IT			0.29	-			0.29	Operational	Bus Case		
			IT			0.25	-			0.25	Strategic	Bus Case		
			IT			1.27	-			1.27	Age/Condition/Obsolescence	Bus Case		
			IT		0.13	0.32	-			0.45	Operational	Bus Case		
			IT		0.19	0.73	0.43			1.35	Security	Bus Case		
			IT				0.76			0.76	Recurrent	Bus Case		
			IT				1.05			1.05	Recurrent	Bus Case		
			IT				1.25			1.25	New Capability	Bus Case		
			IT				0.10			0.10	Compliance and Risk	Bus Case		
			IT				0.56			0.56	Maintain Capability	Bus Case		
			IT				0.23			0.23	Recurrent	Bus Case		
			IT				0.26			0.26	New Capability	Bus Case		
			IT				0.53			0.53	New Capability	Bus Case		
			IT				1.61			1.61	New Capability	Bus Case		
			IT				0.07			0.07	New Capability	Bus Case		
			IT				1.07			1.07	Maintain Capability	Bus Case		
			IT				1.87			1.87	Compliance and Risk	Bus Case		
			IT				0.27			0.27	Maintain Capability	Bus Case		
			IT				0.34			0.34	New Capability	Bus Case		
			IT				0.41			0.41	New Capability	Bus Case		
			IT				0.21			0.42	Recurrent	Bus Case		
			IT		0.34	0.97	1.19			2.50				
			IT		0.25	-	-			0.25				
			MV		2.92	5.04	3.16			11.12	Annual Cycle			
			Buildings		1.14	1.89	2.14			5.17	Age/Condition/Obsolescence			
			Land		-	-	-			-				
			Tools		0.87	1.06	0.99			2.92	Additional requirements			
										-				
										-				
										-				
										-				
<b>Subtotal</b>				16.11	20.08	26.03	-	-	-	62.22				

\*refers to Categories (e.g Augmentation, Replacement, etc) as defined in "Historic Cape" \*Note that values in these columns are estimates only