


Tasmanian Transmission and Distribution Regulatory Proposal 2019-24

In preparing our Regulatory Proposal we have heard loud and clear that our customers consider service levels and reliability to be generally acceptable, but affordability is their primary concern.

We have taken this feedback into account in finalising our proposal, by ensuring that our expenditure is aimed at maintaining current overall performance while meeting our safety and compliance obligations.

Snapshot of our five-year forecasts for transmission and distribution compared to the previous five years (June 2019 \$)

Revenue	% Change	\$ Change million
Revenue Allowance - Transmission	-19%	-\$172
Revenue Allowance - Distribution	-8%	-\$108
Combined Revenue	-12%	-\$280
Combined Capex	+19%	\$157
Combined Opex	-7%	-\$44



Key points:

- As the electricity system in Australia is experiencing significant change, we have struck a careful balance between the everyday task of ensuring that our services remain safe and reliable and investing to address the challenges ahead.
- In developing our plans for the five year regulatory period for our transmission and distribution network services from 1 July 2019 to 30 June 2024, we have consulted with a wide range of customers, listened to their feedback and responded.
- In response to customers' feedback that affordability is their major concern, we have made further reductions to our revenue building block inputs, for example:
 - Our capital program is increasing as we renew assets in poor condition, replace technology platforms that are at the end of their life, manage increased bushfire related risk and connect new customers. We have applied a top down discipline to optimise our preliminary capital forecasts. We will therefore deliver the same programs for less cost.
 - We have addressed customer feedback regarding affordability by amending our operating expenditure forecasts by constraining the forecasts to absorb growth on existing expenditure above CPI and to seek further incremental efficiencies to achieve a 0.5 per cent reduction in year two; and further one per cent per annum reduction in years three, four and five.
- We are confident that we have struck the right balance by keeping prices low, maintaining reliability and safety, while continuing to innovate to provide a better, sustainable future. We are confident this proposal is one the Regulator and our customers can accept.

Our Regulatory Proposal provides detailed information regarding our plans for the future.



How to contact us:

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