

30 April 2021

Ms Clare Savage
Chair
Australian Energy Regulator
Level 17, Casselden Place
2 Lonsdale Street
MELBOURNE VIC 3000

Email: Clare.Savage@aer.gov.au
Cc: Sebastian.Roberts@aer.gov.au

Dear Ms ~~Savage~~ *Clare*

Re: Revised Capex Application for Project EnergyConnect

Please find attached our Revised Capex Application, which contains our revised capex forecast for the New South Wales (NSW) component of Project EnergyConnect (PEC or the Project). Our Application also contains the details of TransGrid's Board commitment to proceed with the Project (refer Attachment 1 of this letter).

We look forward to continuing to engage with the AER as it reviews our Revised Capex Application and our supporting documentation.

We also welcome customer and other stakeholder feedback on our Revised Capex Application.

We look forward to hearing from you and I am available to discuss it at your convenience.

Yours sincerely



Paul Italiano

Chief Executive Officer

Attachments:

- A.0 *Revised Capex Application*
- A.1 *JLL, Response to AER Preliminary Position, TransGrid Contingent Project Application, Project EnergyConnect, February 2021*
- A.2 *WSP, Response to AER preliminary position TransGrid Contingent Project EnergyConnect – Environmental Offset Costs, March 2021*
- A.3 *Contractor, PEC – L2&L3 Budget Proposal, 2 February 2021*
- A.4 *WSP, PEC Route Option – Approach to Wagga Wagga Assessment, 23 February 2021*

- A.4 *WSP, PEC Route Option – Approach to Wagga Wagga Assessment , 23 February 2021*
- A.5 *JLL, Land and Easement Acquisition Forecast Costs – 8km leg into Wagga Wagga, February 2021*
- A.6 *HoustonKemp, Independent Assessment of Revised Capex Forecast*
- A.7 *Modelling updates*
- A.8A *TransGrid, PEC Capex Forecast Model – Updated – With CESS*
- A.8B *TransGrid, PEC Capex Forecast Model – Updated – Without CESS*
- A.9A *TransGrid, Post-tax Revenue Model – Updated – With CESS*
- A.9B *TransGrid, Post-tax Revenue Model – Updated – Without CESS*

Attachment 1 – Board Commitment to Proceed with Project EnergyConnect

The following resolution was made by TransGrid's Board at its meeting on Thursday 29 April 2021.

*The Board after due consideration **RESOLVED** as follows:*

- i. *To commit to proceed with the NSW section of PEC subject to the AER awarding incremental revenue commensurate with the capital and operating costs of the project proposed by the Company; and*
- ii. *To authorise the submission to the AER of the revised CPA for PEC along with an extract of the above resolution.*

