Schedule 1: 19. Depreciation Schedules

19.1 Provide TransGrid's calculation of the depreciation amounts for the relevant transmission system for each regulatory year of:
(a) the current regulatory control period using the AER's roll forward model, which is to be submitted as part of the revenue proposal; and
(b) the forthcoming regulatory control period using the AER's post-tax revenue model, which is to be submitted as part of the revenue proposal.

The AER's RFM and PTRM approach to calculate the depreciation has been followed with no departures, i.e. regulated deprecation equals to straight-line depreciation less the inflation adjustment on opening RAB.

19.2 Provide details of any departure from the underlying methods in the AER's roll forward model and post-tax revenue model for the calculations referred to in paragraph 19.1 and the reasons for that departure.

TransGrid has used the AER's RFM and PTRM for the calculations, with no departures.

19.3 Identify any changes to standard asset lives for existing asset classes from the previous determination. Explain the reason/s for each change and provide relevant supporting information.

No departure.

19.4 Identify any changes to new asset classes from the previous determination. Explain the reason/s for using these new asset classes and provide relevant supporting information on their proposed standard asset lives.

A new asset class called "Residual – other" has been created to capture small residual values from old asset classes as suggested by the AER in the pre-engagement process.

19.5 If any existing asset classes from the previous determination are proposed to be removed and their residual values to be reallocated to other asset classes, explain the reason/s for the change and provide relevant supporting information. This should include a demonstration of the materiality of the change on the forecast depreciation allowance.

N/A

19.6 Describe the method used to depreciate existing asset classes as at 1 July 2018 (the start of the forthcoming regulatory control period) and provide supporting calculations, if the approach differs from that in the roll forward model.

RFM approach has been applied, with no departures.