

Schedule 1: 9. Forecast Price Changes

9.2 Provide:

(a) the model(s) used to derive and apply the materials price changes, including model(s) developed by a third party;

Not applicable.

(b) in relation to labour escalators, a copy of the current Enterprise Bargaining Agreement or equivalent agreement; and

In accordance with current EBA which is provided as a Reset RIN supporting document, TransGrid - Employees Agreement 2013 - 0514 - PUBLIC.

(c) documents supporting or relied up that accurately explain the change in the price of goods and services purchased by TransGrid, including evidence that any materials price forecasting method explains the price of materials previously purchased by TransGrid.

Not applicable.

9.3 Provide also an explanation of :

(a) the methodology underlying the calculation of each price change, including:

(i) sources;

See the Revenue Proposal Appendix, TransGrid - BIS Shrapnel – Appendix H Expected wage changes - 1116 - PUBLIC

(ii) data conversions;

PTRM CPI used for forecast years, see the document TransGrid- Post Tax Revenue Model -0117- PUBLIC

(iii) the operation of any model(s) provided under paragraph 9.2(a); and

Not applicable.

(iv) the use of any assumptions such as lags or productivity gains;

Not applicable.

(b) whether the same price changes have been used in developing both the forecast capex proposal and forecast opex proposal; and

Yes.

(c) if the response to paragraph 9.3(b) is negative, why it is appropriate for different expenditure escalators to apply.

Not applicable.

9.4 If an agreement provided in response to paragraph 9.2(b) is due to expire during the forthcoming regulatory control period, explain the progress and outcomes of any negotiations to date to review and replace the current agreement.

In accordance with TransGrid's Revenue Proposal for the period 2018/19 to 2022/23, Section 6.4.3.1: Real Price Growth, see document TransGrid-Revenue Proposal 18_19 to 22_23-0117-PUBLIC