



Ref. A5355243

18 October 2023

Claire Preston
Director, Network Expenditure
Australian Energy Regulator
GPO Box 520
Melbourne, VIC 3001

Dear Claire,

AER 2023 Draft Annual Benchmarking Report for Transmission

Powerlink Queensland (Powerlink) appreciates the opportunity to provide feedback on the Australian Energy Regulator's (AER's) Draft Benchmarking Report and revised Quantonomics Report. We note the AER's willingness to take on board Powerlink's suggestion to develop a customer friendly overview of economic benchmarking, including the annual results and how it is used by the AER. More importantly, Powerlink considers that consumer advocates/customers will appreciate this.

Our feedback below relates to the AER's Draft Report.

1. *Output and input contributions to productivity growth over 2022 (page 19)* – We recommend that the discussion of the reduction in Powerlink's transformer inputs be simplified primarily to avoid the potential identification of customer specific information. Specifically, we suggest the last two sentences in the last paragraph be replaced with:

“Powerlink reported that the largest contributor to the net reduction in transformer capacity in 2022 was the result of decommissioning several transformers for which replacements had been commissioned in previous years.”

2. We support the AER's suggestion to remove Appendix B from the report, consolidate benchmarking technique information in Section 1 and cross-reference the data available in relevant spreadsheets and source files.
3. We consider that Appendix C would provide a useful addition to identify and explain results that appear to be counter-intuitive. However, to ensure the discussion in the main report is more targeted, we suggest the AER add a high-level description of the factors that contribute to these outcomes in Section 3 and put the more detailed discussion of specific instances in Appendix C.

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4. We recommend the AER review all references regarding inflationary impacts on depreciation to ensure they are correct.

Please contact me if you have any questions in relation to our submission.

Yours sincerely,

A black rectangular redaction box covering the signature of Jennifer Harris.

Jennifer Harris
General Manager Network Regulation

Email:  Telephone: 