

# APA

Australia's energy  
infrastructure partner

# Pricing Methodology

Basslink Revenue Determination –  
Attachment 4.1

July 1, 2025



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## Glossary

ACRONYM	MEANING
AARR	Aggregate Annual Revenue Requirement
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ASRR	Annual Service Revenue Requirement
CRNP	Cost reflective network pricing
TNSP	transmission network service provider
TUOS	transmission use of system

The AER has adopted the following definitions for the purposes of the *guidelines* only:

Term	Definition
<i>Appointing provider</i>	has the meaning ascribed to it in clause 6A.29.1(a) of the <i>National Electricity Rules</i> .
<i>Contract agreed maximum demand</i>	means the agreed maximum demand negotiated between a <i>TNSP</i> and a <i>transmission customer</i> .
<i>Current metered energy offtake</i>	means metered <i>energy</i> measured at a <i>connection point</i> in the current <i>billing period</i> .
<i>Current metered maximum demand offtake</i>	means metered maximum demand measured at a <i>connection point</i> in the current <i>billing period</i> .
<i>Directly attributable</i>	in relation to <i>transmission</i> assets refers to assets that are used or required to provide the relevant pricing <i>category of prescribed transmission service</i> .
<i>Guidelines</i>	means the <i>pricing methodology guidelines</i> .
<i>Historical metered energy offtake</i>	means metered <i>energy</i> measured at a <i>connection point</i> in the corresponding <i>billing period</i> two years earlier.
<i>Historical metered maximum demand offtake</i>	means metered maximum demand measured at a <i>connection point</i> in the corresponding <i>billing period</i> two years earlier.
<i>National Electricity Rules</i>	means the rules as defined in the <i>National Electricity Law</i> .

## 1. Introduction

Basslink is a 370km long HVDC electricity interconnector between Victoria and Tasmania. Basslink starts at the Loy Yang switchyard in Gippsland (South-East Victoria) and travels by a 61 km high-voltage overhead transmission line until it is submerged. From there it travels for 290 km under Bass Strait at around 1.5 metres below the sea floor. It resurfaces again near George Town (Northern Tasmania) and travels another 11km via a high-voltage overhead transmission line to the George Town substation.

Basslink is owned by Basslink Pty Ltd which is 100% owned by APA. APA is a company listed on the Australian Stock Exchange.

Clause 6A.25.1(a) of the *National Electricity Rules* requires the AER to develop, in accordance with the *transmission consultation procedures, guidelines* relating to the preparation of a proposed *pricing methodology* by a *TNSP*.

In this pricing methodology the words and phrases presented in italics have the meaning given to them in the glossary; or, if not defined in the glossary, in the *National Electricity Rules*.

Basslink's proposed pricing methodology has been developed in accordance with the AER's Electricity Transmission Network Service Providers Pricing Methodology Guidelines (the Guidelines)<sup>1</sup>.

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<sup>1</sup> AER, Electricity Transmission Network Service Providers Pricing Methodology Guidelines, August 2022.

## 2. Basslink’s Pricing Methodology

### 2.1. Information Requirements

A *TNSP*'s proposed pricing methodology must contain the following information:

Requirement	Basslink Compliance
<p>(a) Whether the <i>TNSP</i> is the sole provider of <i>prescribed transmission services</i> within its <i>region</i> or whether there are multiple <i>TNSPs</i> providing <i>prescribed transmission services</i>.</p>	<p>Basslink will provide <i>prescribed transmission services</i> in both Victoria and Tasmania. In both regions there will be multiple providers of <i>prescribed transmission services</i>.</p> <p>The Co-ordinating Network Service Providers in each region will be:</p> <ul style="list-style-type: none"> <li>For Victoria, AEMO is the Co-ordinating Network Service Provider</li> <li>For Tasmania, it is anticipated that TasNetworks will be appointed as the Co-ordinating Network Service Provider.</li> </ul>
<p>(b) If there are multiple <i>TNSPs</i> providing <i>prescribed transmission services</i> within its <i>region</i> the <i>TNSP</i> should detail whether it:</p>	
<p>(1) has been appointed as the <i>Co-ordinating Network Service Provider</i> for a <i>region</i> under clause 6A.29.1(a) of the <i>National Electricity Rules</i> and is therefore responsible for the allocation of the <i>AARR</i> within the <i>region</i>; or</p>	<p>Basslink has not been appointed as the Coordinating Network Service Provider in either Victoria or Tasmania.</p> <p>The Co-ordinating Network Service Providers in each region will be:</p> <ul style="list-style-type: none"> <li>For Victoria, AEMO is the Co-ordinating Network Service Provider</li> <li>For Tasmania, it is anticipated that TasNetworks will be appointed as the Co-ordinating Network Service Provider.</li> </ul>
<p>(2) is an <i>appointing provider</i> for the purposes of clause 6A.29.1(a) of the <i>National Electricity Rules</i> and if so, it should nominate the <i>Coordinating Network Service Provider</i> and identify the parts of its proposed <i>pricing methodology</i> which will be dealt with by the <i>Coordinating Network Service Provider</i>.</p>	<p>Basslink is an appointing provider for the purpose of the <i>Rules</i>.</p> <p>Certain parts of this proposed <i>pricing methodology</i> will be dealt with by the <i>Coordinating Network Service Providers</i>, as follows:</p> <ul style="list-style-type: none"> <li>The allocation of <i>AARR</i> and calculation of the <i>ASRR</i> for the Tasmanian and Victorian regions, in accordance with clause 6A.22.2 of the <i>Rules</i>; and</li> <li>The calculation of attributable cost shares, in accordance with clause 6A.22.3 of the <i>Rules</i>.</li> <li>The principles for the allocation of the <i>AARR</i> to categories of <i>prescribed transmission services</i>, in accordance with clause 6A.23.2 of the <i>Rules</i>.</li> <li>The principles for the allocation of the <i>ASRR</i> to <i>transmission network connection points</i>, in accordance with clause 6A.23.3 of the <i>Rules</i>.</li> <li>Pricing structure principles, in accordance with clause 6A.23.4 of the <i>Rules</i>.</li> </ul>

Requirement	Basslink Compliance
(c) Details of how the AARR has been derived including an explanation of how the operating and maintenance costs and expected system strength service payments subtracted from the maximum allowed revenue in accordance with clause 6A.22.1 of the National Electricity Rules have been determined and how they will be recovered via transmission prices.	<p>Basslink's AARR is for <i>prescribed transmission services</i> only. There is no component relating to <i>prescribed common transmission services</i>, nor any expected <i>system strength service payments</i>, for the purpose of clause 6A.22.1 of the Rules.</p> <p>Basslink's AARR is determined by the AER and is adjusted annually using the regulatory control formula for CPI, X and other factors.</p> <p>Basslink's AARR is recovered wholly through TasNetworks' and AEMO's transmission prices.</p>
(d) Details of how the AARR will be allocated to derive the ASRR for each category of prescribed transmission service, including:	Pursuant to cl 6A.29.1(d), the Co-ordinating Network Service Providers for Victoria and Tasmania will be responsible for allocating AARR to derive ASRR. Therefore Basslink is not required to address the allocation of AARR to each category of prescribed transmission service.
(1) how the attributable cost shares for each category of prescribed transmission service will be calculated in accordance with clause 6A.22.3 of the National Electricity Rules including:	The calculation of attributable cost shares in accordance with clause 6A.22.3 of the National Electricity Rules is described in TasNetworks' and AEMO's pricing methodology.
A. an explanation of how the costs referred to in clause 6A.22.3(a) of the National Electricity Rules will be calculated; and	Included in TasNetworks' and AEMO's pricing methodology.
B. hypothetical worked examples for each category of prescribed transmission service;	Included in TasNetworks' and AEMO's pricing methodology.
(2) how the priority ordering approach outlined in clause 6A.23.2(d) of the National Electricity Rules will be applied, including a hypothetical worked example; and	Included in TasNetworks' and AEMO's pricing methodology.
(3) how asset costs which may be attributable to both prescribed entry services and prescribed exit services will be allocated.	Basslink does not provide prescribed entry services or prescribed exit services.
(e) Details of how the ASRR for each category of prescribed transmission service will be allocated to each transmission connection point, including:	Included in TasNetworks' and AEMO's pricing methodology.
(1) how the attributable connection point cost share for both prescribed entry services and prescribed exit services will be calculated in accordance with clause 6A.22.4 of the National Electricity Rules, including:	Included in TasNetworks' and AEMO's pricing methodology.
A. an explanation of how the costs referred to in clause 6A.22.4(a) of the National Electricity Rules will be calculated;	Included in TasNetworks' and AEMO's pricing methodology.
B. hypothetical worked examples; and	Included in TasNetworks' and AEMO's pricing methodology.
C. how asset costs allocated to prescribed entry services and prescribed exit services at a connection point, which may be attributable to multiple transmission network users, will be allocated;	Included in TasNetworks' and AEMO's pricing methodology.
(2) how the locational and pre-adjusted non-locational shares of prescribed TUOS services will be allocated in accordance with 6A.23.3(b)–(e) of the National Electricity Rules;	Included in TasNetworks' and AEMO's pricing methodology.
(3) how the locational and adjusted non-locational components of prescribed TUOS services will be determined and allocated to connection points in accordance with clause 6A.23.3(c) of the National Electricity Rules.	Included in TasNetworks' and AEMO's pricing methodology.
(f) In relation to price structures:	

Requirement	Basslink Compliance
(1) confirm that separate prices will be developed for each <i>category of prescribed transmission service</i> ;	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(2) confirm that the prices for <i>prescribed entry services</i> and <i>prescribed exit services</i> will be a fixed annual amount, and describe how these amounts will be calculated;	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(3) outline how the pricing structure for the recovery of the locational component of <i>prescribed TUOS services</i> complies with these <i>guidelines</i> and clauses 6A.23.4(b) of the <i>National Electricity Rules</i> including outlining:	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
A. the time period for the allocation of <i>generation to load</i> as prescribed in clause S6A.3.2(3) of the <i>National Electricity Rules</i> ;	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
B. how prices will be structured to comply with the <i>National Electricity Rules</i> and these <i>guidelines</i> ; and	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
C. the process for deriving the locational charge for each <i>billing period</i> and details of any adjustment mechanism applied to a measure of forecast demand once actual demand is known;	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(4) outline how the postage stamp pricing structure for the recovery of the adjusted non locational component of <i>prescribed TUOS services</i> complies with these <i>guidelines</i> and clause 6A.23.4(e) of the <i>National Electricity Rules</i> ; and	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(5) outline how the postage stamp pricing structure for the recovery of <i>prescribed common transmission services</i> complies with these <i>guidelines</i> and clause 6A.23.4(f) of the <i>National Electricity Rules</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(g) Details of how the <i>TNSP</i> intends to set the <i>prescribed TUOS service</i> locational price at new <i>connection points</i> or at <i>connection points</i> where the load has changed significantly after <i>prescribed TUOS service</i> locational prices have been determined and published by the <i>TNSP</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(h) If a <i>TNSP</i> expects to calculate a postage stamped charge in accordance with either section 2.3(c)(4)(C) or 2.3(d)(3)(C) of these <i>guidelines</i> , it must explain the likely circumstances surrounding the use of <i>current energy offtake</i> or <i>current maximum demand offtake</i> in its proposed <i>pricing methodology</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(i) The information in relation to inter-regional charging arrangements required by section 2.6 of the <i>guidelines</i> .	Basslink is not the <i>Co-ordinating Network Service Provider</i> in either Victoria or Tasmania. As such, the requirements outlined in section 2.6 do not apply to Basslink
(j) Whether the <i>TNSP</i> is the <i>System Strength Service Provider</i> for its <i>region</i> .	Basslink is not the System Strength Service Provider in either Victoria or Tasmania.
(k) Where the <i>TNSP</i> is the <i>System Strength Service Provider</i> for its <i>region</i> :	Not applicable – Basslink is not the System Strength Service Provider in either Victoria or Tasmania
(1) confirm that a <i>System Strength Transmission Service User</i> for a <i>system strength connection point</i> will pay an <i>annual system strength charge</i> for the <i>system strength connection point</i> in equal monthly instalments from the time referred to in paragraph (2) in accordance with clause 6A.23.5 of the <i>National Electricity Rules</i> and these <i>guidelines</i> ;	See above.
(2) explain the time at which the <i>system strength charge</i> will commence to be payable by a <i>System Strength Transmission Service User</i>	See above.
(3) confirm that the monthly instalments for the <i>system strength charge</i> will be calculated on a pro rata basis for the remaining months of the <i>regulatory year</i> if the obligation to pay the <i>system strength charge</i> commences part way through a <i>regulatory year</i>	See above.

Requirement	Basslink Compliance
(4) explain the methodologies it will apply to determine the <i>system strength unit price</i> for each <i>system strength node</i> on its <i>transmission network</i> for the <i>system strength charging period</i> , including an explanation of its methodology for forecasting its long run average costs of providing <i>system strength transmission services</i> ;	See above.
(5) set out whether the <i>system strength unit price</i> will be updated for indexation for each <i>regulatory year</i> in the <i>system strength charging period</i> and, if so, the basis for indexation;	See above.
(6) explain how the methodologies and prices referred to in paragraphs (4) to (5) comply with the requirements in section 2.7(a) and (b) of these <i>guidelines</i> and clause 6A.23.5 of the <i>National Electricity Rules</i> ;	See above.
(7) explain how the methodologies and prices referred to in paragraphs (4) to (5) comply with the requirements in section 2.7(a) and (b) of these <i>guidelines</i> and clause 6A.23.5 of the <i>National Electricity Rules</i> ;	See above.
(8) explain how the methodologies referred to in paragraph (7) give effect to, and are consistent with, clause 6A.23.3A of the <i>National Electricity Rules</i> and the principles in section 2.8 of these <i>guidelines</i> .	See above.
(l) Where the <i>TNSP</i> is not the <i>System Strength Service Provider</i> for its <i>region</i> :	APA considers that the requirements in paragraph (1) and (2) do not apply to Basslink because it is very unlikely to have any <i>system strength connection points</i> on its <i>transmission network</i> during the period over which the proposed <i>pricing methodology</i> will apply. A <i>system strength connection point</i> is a connection to a <i>generating system</i> , <i>integrated resource system</i> or other <i>connected plant</i> where an election has been made under clause 5.3.4B(b1) of the <i>National Electricity Rules</i> to pay the <i>system strength charge</i> . Given the nature of Basslink as an undersea DC cable linking the Victorian and Tasmanian <i>regions</i> , it is extremely unlikely that a <i>system strength connection point</i> would be established on Basslink's <i>transmission network</i> in the period over which the proposed <i>pricing methodology</i> will apply.
(1) explain how it will set charges applicable to each <i>system strength connection point</i> on its <i>transmission network</i> to recover on a pass through basis the <i>annual system strength charge</i> for the <i>system strength connection point</i> determined by the relevant <i>System Strength Service Provider</i> ; and	See above.
(2) explain how the charges referred to in paragraph (1) comply with the requirements of clause 6A.23.6 of the <i>National Electricity Rules</i> , including:	See above.
(A) how the amount, structure and timing of the charges referred to in paragraph (1) replicates as far as reasonably practical the amount, structure and timing of the corresponding <i>system strength charge</i> billed to the <i>TNSP</i> by the <i>System Strength Service Provider</i> ; and	See above.
(B) an explanation of the reasons for any differences between the amount, structure and timing of the charges referred to in paragraph (1) and the amount, structure and timing of the corresponding <i>system strength charge</i> billed to the <i>TNSP</i> by the <i>System Strength Service Provider</i> ;	See above.
(3) the requirements in paragraphs (1) and (2) do not apply to a <i>TNSP</i> :	See above.
(A) in an adoptive jurisdiction; or	See above.



Requirement	Basslink Compliance
(B) that can establish to the AER's satisfaction that it is unlikely to have any <i>system strength connection points</i> on its <i>transmission network</i> during the period over which the proposed <i>pricing methodology</i> will apply.	See above.
(m) A statement of how the <i>pricing methodology</i> gives effect to and is consistent with, <i>the pricing principles for prescribed transmission services</i> including an explanation of how any alternative pricing structure which the <i>TNSP</i> wishes to apply meets the requirements of clause 6A.23.4 of the <i>National Electricity Rules</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(n) Details of any proposed transitional arrangements the <i>TNSP</i> considers necessary as a result of the implementation of its <i>pricing methodology</i>	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(o) Information relating to any prudent discounts for <i>prescribed transmission services</i> previously submitted to the <i>AER</i> or expected to be submitted to the <i>AER</i> within the next <i>regulatory control period</i> and how those discounts are proposed to be recovered from <i>Transmission Network Users</i> in accordance with rule 6A.26 of the <i>National Electricity Rules</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(p) Details of billing arrangements with <i>Transmission Network Users</i> and transfers between <i>TNSPs</i> conducted in accordance with rule 6A.27 of the <i>National Electricity Rules</i> .	In accordance with rule 6A.27.4 of the <i>National Electricity Rules</i> , <ul style="list-style-type: none"> <li>each of TasNetworks and AEMO will be required to pay Basslink for revenue collected as charges for <i>prescribed transmission services</i> for use of the Basslink <i>transmission system</i>.</li> <li>Basslink will bill TasNetworks and AEMO on a monthly basis.</li> </ul> As Basslink will receive revenue through TasNetworks and AEMO, it will not directly bill other <i>Transmission Network Users</i> .
(q) Details of the nature of <i>prudential requirements</i> as outlined in rule 6A.28 of the <i>National Electricity Rules</i> and how any capital contributions will be taken into account in determining a <i>Transmission Network Users'</i> prices for <i>prescribed transmission services</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> . There are no prudential requirements or capital contributions in respect of Basslink.
(r) If a <i>TNSP</i> has, in accordance with section 2.5 of these <i>guidelines</i> , provided the <i>AER</i> with a confidential version of its proposed <i>pricing methodology</i> , the non confidential version of the proposed <i>pricing methodology</i> must outline the area or areas where the <i>TNSP</i> is making a claim for confidentiality and why.	Basslink is not claiming confidentiality in respect of this proposed <i>pricing methodology</i> .
(s) Details of any derogation in accordance with chapter 9 of the <i>National Electricity Rules</i> .	There is no derogation in accordance with chapter 9 of the <i>National Electricity Rules</i> that applies to Basslink.
(t) Details of any transitional arrangements which apply in accordance with chapter 11 of the <i>National Electricity Rules</i> .	There are no transitional arrangements in accordance with chapter 11 of the <i>National Electricity Rules</i> that apply to the <i>pricing methodology</i> of Basslink.
(u) The period over which the proposed <i>pricing methodology</i> will apply, including the periods of the <i>regulatory control period</i> and the <i>system strength charging period</i> .	This proposed <i>pricing methodology</i> will apply for the proposed <i>regulatory control period</i> from 1 July 2025 to 30 June 2030.  Basslink is not a <i>System Strength Service Provider</i> .
(v) A description of any differences between the current <i>pricing methodology</i> and that proposed for the next <i>regulatory control period</i> and <i>system strength charging period</i> .	Not applicable – the period commencing on 1 July 2025 will be the first <i>regulatory control period</i> for Basslink.

**Requirement**

(w) Details of how the *TNSP* intends to monitor and develop records of its compliance with its approved *pricing methodology*, the *pricing principles for prescribed transmission services* and more broadly part J of the *National Electricity Rules*.

**Basslink Compliance**

Basslink will maintain records of payments made by TasNetworks and AEMO for *prescribed transmission services* and reconcile these payments with the *AARR*. These details will be included in the regulatory accounts submitted annually to the AER.

### 2.2. Permitted (locational) pricing structures

Requirement	Basslink Compliance
(a) Prices for the recovery of the locational component of <i>prescribed TUOS services</i> must be based on demand at times of greatest utilisation of the <i>transmission network</i> and for which network investment is most likely to be contemplated in accordance with clause 6A.23.4(b) of the <i>National Electricity Rules</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(b) The <i>CRNP</i> methodology and modified <i>CRNP</i> methodology outlined in S6A.3 of the <i>National Electricity Rules</i> provides guidance on the process for cost allocation for the locational component of <i>prescribed TUOS services</i> and results in a lump sum dollar amount to be recovered at each <i>transmission connection point</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(c) The following measures of demand are to be applied to the lump sum dollar amount referred to in section 2.2(b) to derive the locational price at each <i>transmission connection point</i> :	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(1) The current <i>contract agreed maximum demand</i> (prevailing at the time <i>transmission</i> prices are published) as negotiated in a <i>transmission customer's</i> connection agreement or the <i>transmission customer's</i> maximum demand in the previous 12 months if the <i>transmission customer</i> has exceeded its current <i>contract agreed maximum demand</i> , expressed as \$/MW/day; or	See above.
(2) The average of the <i>transmission customer's</i> half-hourly maximum demand recorded at a <i>connection point</i> on the 10 weekdays when system demand was highest between the hours of 11:00 and 19:00 in the local time zone during the previous 12 months, expressed as \$/MW/day.	See above.
(d) A <i>TNSP</i> (or <i>Co-ordinating Network Service Provider</i> ) may propose alternative pricing structures for the recovery of the locational component of <i>prescribed TUOS services</i> which it considers give effect to, and are consistent with the <i>pricing principles for prescribed transmission services</i> in the <i>National Electricity Rules</i> .	Basslink is not proposing alternative pricing structures for the recovery of the locational component of <i>prescribed TUOS services</i> .  This detail may be included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(e) If a <i>TNSP</i> (or <i>Co-ordinating Network Service Provider</i> ) proposes an alternative pricing structure for the recovery of the locational component of <i>prescribed TUOS services</i> it must clearly demonstrate to the <i>AER</i> that the alternative pricing structure:	Basslink is not proposing alternative pricing structures for the recovery of the locational TUoS component.  This detail may be included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(1) gives effect to, and is consistent with the <i>pricing principles for prescribed transmission services</i> in the <i>National Electricity Rules</i> ;	See above.
(2) improves on the permitted pricing structures outlined in section 2.2(c) of these <i>guidelines</i> ; and	See above.
(3) contributes to the <i>national electricity objective</i> .	See above.
(f) If historical data is unavailable for a <i>connection point</i> for use in either the allocation of costs to a <i>connection point</i> using the <i>CRNP</i> or modified <i>CRNP</i> methodology outlined in S6A.3 or the calculation of locational prices outlined in section 2.2(c) of these <i>guidelines</i> , an estimate of demand must be used instead.	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(g) The <i>contract agreed maximum demand</i> must only be used for the calculation of the locational component of <i>prescribed TUOS services</i> pricing structure if the <i>transmission customer's</i> connection agreement or other enforceable instrument governing the terms of connection of the <i>transmission customer</i> :	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(1) nominates a fixed maximum demand for the <i>connection point</i> ; and	See above.
(2) specifies penalties for exceeding the <i>contract agreed maximum demand</i> .	See above.

**Requirement**

**Basslink Compliance**

(h) The locational TUOS price calculated in accordance with these *guidelines* must be applied to a measure of actual, forecast or contract demand to derive the locational charge.

Included in TasNetworks' and AEMO's *pricing methodology*.

### 2.3. Permitted (postage stamp) pricing structures

Requirement	Basslink Compliance
(a) Prices for <i>prescribed common transmission services</i> and the recovery of the adjusted non-locational component of <i>prescribed TUOS services</i> are to be set on a <i>postage stamp basis</i> in accordance with clause 6A.23.4(e) and clause 6A.23.4(f) of the <i>National Electricity Rules</i> .	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(b) Permissible postage stamp pricing structures for either the non-locational component of <i>prescribed TUOS services</i> or <i>prescribed common transmission services</i> must be based on any one of the following:	Included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(1) either <i>contract agreed maximum demand</i> or historical energy;	See above.
(2) <i>maximum demand</i> ; or	See above.
(3) an alternative pricing structure.	See above.
(c) If a postage stamped structure is based on either <i>contract agreed maximum demand</i> or historical energy it must be calculated as follows:	Basslink does not determine postage stamp based prices. This detail is included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(1) Each <i>financial year</i> a <i>TNSP</i> (or <i>Co-ordinating Network Service Provider</i> ) must determine the following two prices:	See above.
(A) an <i>energy based price</i> that is a price per unit of historical metered energy or current metered energy at a <i>connection point</i> ; and	See above.
(B) a <i>contract agreed maximum demand price</i> that is a price per unit of <i>contract agreed maximum demand</i> at a connection point.	See above.
(2) Either the energy based price or the <i>contract agreed maximum demand price</i> applies at a <i>connection point</i> except for those <i>connection points</i> where a <i>transmission customer</i> has negotiated reduced charges for <i>prescribed common transmission services</i> or the adjusted non-locational component of <i>prescribed TUOS services</i> in accordance with clause 6A.26.1 of the <i>National Electricity Rules</i> .	See above.
(3) The <i>energy based price</i> and the <i>contract agreed maximum demand price</i> referred to in section 2.3(c)(1) of these <i>guidelines</i> must be determined so that:	See above.
(A) a <i>transmission customer</i> with a load factor in relation to its <i>connection point</i> equal to the median load factor for <i>connection points</i> with <i>transmission customers</i> connected to the <i>transmission network</i> in the <i>region</i> or <i>regions</i> is indifferent between the use of the <i>energy based price</i> and the <i>contract agreed maximum demand price</i> ; and	See above.
(B) the total amount to be recovered by <i>prescribed common transmission services</i> or the adjusted non-locational component of <i>prescribed TUOS services</i> does not exceed the <i>ASRR</i> for each category of <i>prescribed transmission service</i> .	See above.
(4) The charge for either the <i>prescribed common transmission service</i> or the adjusted non locational component of <i>prescribed TUOS services</i> using the energy based price for a <i>billing period</i> in a <i>financial year</i> for each <i>connection point</i> must be calculated by:	See above.
(A) multiplying the <i>energy based price</i> by the metered energy offtake at that <i>connection point</i> in the corresponding <i>billing period</i> two years earlier (i.e. <i>historical metered energy offtake</i> ); or	See above.

Requirement	Basslink Compliance
(B) multiplying the <i>energy based price</i> by the metered energy offtake at that <i>connection point</i> in the same <i>billing period</i> ( <i>current metered energy offtake</i> ) if the <i>historical metered energy offtake</i> is not available; or	See above.
(C) multiplying the energy based price by the <i>current metered energy offtake</i> if the <i>historical metered energy offtake</i> is significantly different to the <i>current metered energy offtake</i> .	See above.
(5) The charge calculated for <i>prescribed common transmission services</i> or the adjusted non-locational component of <i>prescribed TUOS services</i> using the <i>contract agreed maximum demand price</i> for a <i>billing period</i> in a <i>financial year</i> for each <i>connection point</i> must be calculated by multiplying the <i>contract agreed maximum demand price</i> by the maximum demand for the <i>connection point</i> in that <i>financial year</i> and then dividing this amount by the number of <i>billing periods</i> in the <i>financial year</i> .	See above.
(6) The <i>energy based price</i> or the <i>contract agreed maximum demand price</i> that applies for <i>prescribed common transmission services</i> or the adjusted non-locational component of <i>prescribed TUOS services</i> must be the one which results in the lower estimated charge for that <i>prescribed transmission service</i> .	See above.
(7) A <i>contract agreed maximum demand price</i> must only be used for the calculation of the <i>prescribed common transmission services</i> charge or the adjusted non-locational component of <i>prescribed TUOS services</i> charge if the <i>transmission customer's</i> connection agreement or other enforceable instrument governing the terms of connection of the <i>transmission customer</i> .	See above.
(A) nominates a <i>contract agreed maximum demand</i> for the <i>connection point</i> ; and	See above.
(B) specifies penalties for exceeding the <i>contract agreed maximum demand</i> .	See above.
(d) If a postage stamped pricing structure is based on <i>maximum demand</i> it must be calculated as follows:	Basslink does not determine postage stamp based prices.  This detail is included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(1) Each <i>financial year</i> a <i>TNSP</i> (or <i>Co-ordinating Network Service Provider</i> ) must determine the <i>maximum demand</i> based price that is a price per unit of historical metered <i>maximum demand</i> or actual metered <i>maximum demand</i> measured at a <i>connection point</i> ;	See above.
(2) The <i>maximum demand</i> based price applies at a <i>connection point</i> except for those <i>connection points</i> where a <i>transmission customer</i> has negotiated reduced charges for <i>prescribed common transmission services</i> or the adjusted non-locational component of <i>prescribed TUOS services</i> in accordance with clause 6A.26.1 of the <i>National Electricity Rules</i> .	See above.
(3) The charge for either the <i>prescribed common transmission services</i> or the adjusted non-locational component of <i>prescribed TUOS services</i> using the <i>maximum demand</i> based price for a <i>billing period</i> in a <i>financial year</i> for each <i>connection point</i> must be calculated by:	See above.
(A) multiplying the <i>maximum demand</i> based price by the <i>maximum demand</i> at that <i>connection point</i> in the corresponding <i>billing period</i> two years earlier (i.e. <i>historical metered maximum demand offtake</i> ); or	See above.
(B) multiplying the <i>maximum demand</i> based price by the <i>maximum demand</i> at that <i>connection point</i> in the same <i>billing period</i> ( <i>current metered maximum demand offtake</i> ) if the <i>historical maximum demand offtake</i> is not available;	See above.

Requirement	Basslink Compliance
(C) multiplying the <i>maximum demand</i> based price by the <i>current metered maximum demand</i> if the <i>historical metered maximum demand</i> is significantly different to the <i>current metered maximum demand</i> .	See above.
(e) A <i>TNSP</i> (or <i>Co-ordinating Network Service Provider</i> ) may propose alternative postage stamp pricing structures which it considers give effect to, and are consistent with the <i>pricing principles for prescribed transmission services</i> in the <i>National Electricity Rules</i> , in which case it must clearly demonstrate to the <i>AER</i> that the alternative pricing structure is least distortionary to <i>transmission network users'</i> behaviour and:	Basslink does not determine postage stamp based prices. This detail is included in TasNetworks' and AEMO's <i>pricing methodology</i> .
(1) gives effect to, and is consistent with the <i>pricing principles for prescribed transmission services</i> in the <i>National Electricity Rules</i> ;	See above.
(2) improves on the permitted pricing structures outlined in section 2.3(c) and (d) of these <i>guidelines</i> ; and	See above.
(3) contributes to the <i>national electricity objective</i> .	See above.

## 2.4. Attribution of transmission system assets to categories of prescribed transmission services

Requirement	Basslink Compliance
(a) The following sections outline the types of <i>transmission system assets</i> that are <i>directly attributable</i> to each <i>category of prescribed transmission service</i> .	Basslink's <i>transmission system assets</i> are all <i>directly attributable to prescribed transmission services</i> .
(1) The types of <i>transmission system assets</i> that are <i>directly attributable to prescribed entry services</i> are limited to:	Basslink has no <i>transmission system assets</i> that are <i>directly attributable to prescribed entry services</i> .
(A) <i>substation buildings, substation land and associated infrastructure (such as fences, earthing equipment etc);</i>	See above.
(B) <i>switchgear and plant associated with generators' generating systems connection and generator transformers;</i>	See above.
(C) <i>secondary systems associated with primary systems providing prescribed entry services;</i>	See above.
(D) <i>transmission lines owned by TNSPs connecting generators' generating systems to the TNSP's transmission network; and</i>	See above.
(E) <i>meters associated with prescribed entry services and owned by the TNSP.</i>	See above.
(2) The types of <i>transmission system assets</i> that are <i>directly attributable to prescribed exit services</i> are limited to:	Basslink has no <i>transmission system assets</i> that are <i>directly attributable to prescribed exit services</i> .
(A) <i>substation buildings, substation land and associated infrastructure (such as fences, earthing equipment etc);</i>	See above.
(B) <i>switchgear used to supply the sub-transmission voltage and associated switchgear at both the transmission and sub-transmission voltage level;</i>	See above.
(C) <i>transformers which supply the sub-transmission voltage level and associated switchgear at both the transmission and sub-transmission voltage level;</i>	See above.
(D) <i>secondary systems associated with primary systems providing prescribed exit services;</i>	See above.
(E) <i>meters associated with prescribed exit services and owned by the TNSP; and</i>	See above.
(F) <i>reactive plant installed for power factor correction which provides benefit to transmission customers connected at the connection point.</i>	See above.
(3) The types of <i>transmission system assets</i> that are <i>directly attributable to prescribed TUOS services</i> are limited to:	Basslink transmission system assets are all <i>directly attributable to prescribed TUOS services</i> .
(A) <i>substation buildings, substation land and associated infrastructure (such as fences, earthing equipment etc);</i>	Basslink <i>transmission system assets</i> include converter stations in Victoria and Tasmania that convert AC to DC, and associated infrastructure.



Requirement	Basslink Compliance
(B) <i>transmission</i> lines and associated easements;	<p>Basslink <i>transmission system</i> assets include the following transmission cables:</p> <ul style="list-style-type: none"> <li>• A 400 kV DC overhead transmission line extending from Loy Yang converter station to the transition station at Giffard West, northwest of McGaurans Beach on the Victorian coast.</li> <li>• An underground 400 kV DC cable, 25 kV DC metallic return cable, and fibre-optic cable from the transition station to McGaurans Beach, the Victorian landfall.</li> <li>• A subsea cable bundle (400 kV DC cable, 25 kV DC metallic return cable, and fibre-optic cable) running across Bass Strait to the Tasmanian landfall east of Four Mile Bluff.</li> <li>• An underground 400 kV DC cable, 25 kV metallic return cable, and fibre-optic cable from the Tasmanian landfall to the transition station located at Aerodrome Road.</li> <li>• A 400 kV DC overhead transmission line from the transition station to the George Town converter station.</li> <li>• A 220 kV AC overhead transmission line from the converter station to the George Town <i>substation</i>, the point of connection to the Tasmanian electricity grid.</li> </ul>
(C) switchgear on <i>transmission</i> lines and auto-transformers which are part of the <i>transmission network</i> and are switched at the <i>substation</i> including associated bus work and control and protection schemes;	<p>Basslink <i>transmission system</i> assets include electronic switchgear that controls the AC and DC transmission systems and transformers. This equipment and associated bus work and control and protection systems are located at the Victorian and Tasmanian converter stations and Victorian and Tasmanian transition stations.</p>
(D) auto-transformers which transform <i>voltage</i> between <i>transmission</i> levels;	<p>Basslink <i>transmission system</i> assets include specially designed transformers that permit the conversion of AC to DC.</p>
(E) static and dynamic <i>reactive plant</i> and associated switchgear and transformation regardless of the <i>voltage</i> level; and	<p>Basslink <i>transmission system</i> assets include static and dynamic reactive plant and associated electronic switchgear located at the Victorian and Tasmanian converter stations.</p>
(F) all system controls required for monitoring and control of the integrated <i>transmission system</i> including remote monitoring and associated communications, <i>load shedding</i> and special control schemes and <i>voltage</i> regulating <i>plant</i> required for operation of the integrated <i>transmission system</i> .	<p>Basslink <i>transmission system</i> assets include system controls required for monitoring and control of the integrated <i>transmission system</i> including remote monitoring and associated communications, <i>load shedding</i>, special control schemes and <i>voltage</i> regulating <i>plant</i> required for operation of the integrated <i>transmission system</i>, located in Victoria and Tasmania.</p>
(4) The types of <i>transmission system</i> assets that are <i>directly attributable to prescribed common transmission services</i> are limited to:	<p>Basslink has no <i>transmission system</i> assets that are <i>directly attributable to prescribed common transmission services</i>.</p>
(A) <i>substation</i> buildings, <i>substation</i> land and associated infrastructure (such as fences, earthing equipment etc);	<p>See above.</p>
(B) <i>power system</i> communications networks;	<p>See above.</p>
(C) <i>control systems</i> ;	<p>See above.</p>
(D) network switching centres (excluding generation and system control functions);	<p>See above.</p>

Requirement	Basslink Compliance
(E) static and dynamic reactive control <i>plant</i> and associated switchgear;	See above.
(F) spare <i>plant</i> and equipment including that installed at <i>substations</i> ;	See above.
(G) fixed assets such as buildings and land that are not associated with <i>substation</i> or line easements, (head office buildings, land for future <i>substations</i> etc.); and	See above.
(H) motor vehicles and construction equipment.	See above.
(b) In its proposed <i>pricing methodology</i> , a <i>TNSP</i> may include additional types of <i>transmission system</i> assets that it considers are <i>directly attributable</i> to one or more <i>category of prescribed transmission service</i> .	Basslink does not seek to include additional types of <i>transmission system</i> assets to any category of <i>prescribed transmission services</i> .
(c) A <i>TNSP</i> must justify the inclusion of any additional types of <i>transmission system</i> assets referred to in section 2.4(b) of the <i>guidelines</i> and the <i>AER</i> will consider each when assessing the <i>TNSP's</i> proposed <i>pricing methodology</i> .	Basslink does not seek to include additional types of <i>transmission system</i> assets to any category of <i>prescribed transmission services</i> .

**2.5. Disclosure of information**

<b>Requirement</b>	<b>Basslink Compliance</b>
(a) A <i>TNSP</i> should develop its proposed <i>pricing methodology</i> so that it can be publicly released by the <i>AER</i> .	Basslink has developed this proposed <i>pricing methodology</i> so that it can be publicly released by the <i>AER</i> .
(b) If a <i>TNSP</i> identifies information which it considers to be confidential or commercially sensitive and it considers that providing that information to the <i>AER</i> is necessary in order to demonstrate that its proposed <i>pricing methodology</i> complies with the <i>National Electricity Rules</i> , it should include that information in a confidential version of its proposed <i>pricing methodology</i> and provide it to the <i>AER</i> .	Basslink has not identified any confidential or commercially sensitive information in this proposed pricing methodology.
(c) The <i>AER</i> will not publicly disclose a confidential version of a proposed <i>pricing methodology</i> .	Noted.
(d) The <i>AER</i> considers that confidential or commercially sensitive information is likely to include details of, or information that could readily be used to infer an individual <i>transmission customer's</i> price or charge, premises, negotiated discounts, <i>prudential requirements</i> or other commercial arrangements relating to its electricity supply.	The information contained in Basslink's pricing proposal is not likely to include details of, or information that could readily be used to infer an individual <i>transmission customer's</i> price or charge, premises, negotiated discounts, <i>prudential requirements</i> or other commercial arrangements relating to its electricity supply.
(e) If a <i>TNSP</i> considers that other information should not be made publicly available, it must justify its claim for confidentiality to the <i>AER</i> .	Basslink is not claiming confidentiality for this proposed <i>pricing proposal</i> .
(f) If the <i>AER</i> disagrees with a <i>TNSP's</i> claim that information provided to it is of a confidential or commercially sensitive nature, the <i>AER</i> will:	See above.
(1) notify the <i>TNSP</i> of its view, and	See above.
(2) allow the <i>TNSP</i> to withdraw the information or rescind its claim for confidentiality.	See above.
(g) If information is withdrawn under 2.5(f) of these guidelines the <i>AER</i> will:	See above.
(1) not take the information into consideration when assessing the <i>TNSP's</i> proposed <i>pricing methodology</i> , and	See above.
(2) not publicly disclose that information.	See above.

**2.6. Inter-regional transmission charging arrangements**

Basslink is not the Co-ordinating Network Service Provider in either Victoria or Tasmania. As such, the requirements outlined in clauses 2.6 (a)-(g) do not apply to Basslink.

**2.7. Permitted system strength charging methodologies**

Basslink is not the System Strength Service Provider in either Victoria or Tasmania. As such, the requirements outlined in clauses 2.7 (a)-(b) do not apply to Basslink.

**2.8. Principles for determining forecast annual system strength revenue and estimated actual annual system strength revenue**

Basslink is not the System Strength Service Provider in either Victoria or Tasmania. As such, the requirements outlined in clauses 2.8 (a)-(b) do not apply to Basslink.