From: Sam Riewoldt ████████████████████████████
Sent: Thursday, August 15, 2024 9:11 AM
To: Sasha Jergic ██████████████████████
Cc: ██
Subject: RE: AER 2024 Annual Benchmarking Report for distribution - preliminary benchmarking results

Hi Sasha,

TasNetworks appreciates the opportunity to provide feedback in the lead up to the release of the AER's Annual Benchmarking Report. We found one error in the data used that doesn't reflect an update that had been made to the RIN data. In cells HK60 and HK13 in the consolidated RIN data sheet, the value should be updated to 2754.48km. Besides this, the data utilised in the AER's calculations and models is accurate.

TasNetworks supports the AER in replacing the current methodology to calculate the Annual User Cost (**AUC**). However, TasNetworks considers that the AER should provide clarity on their proposed methodology to calculate the real WACC. TasNetworks prefers to align with the methodology from the Post Tax Revenue Model (**PTRM**). The methodology discussed of using a 10 year glide path is not consistent with the methodology utilised within the PTRM for the calculation of expected inflation.

TasNetworks position is that consistency between calculation methods should be maintained for simplicity of understanding and standardisation between models. As such, our preferred position would be for the 5 year average to be utilised noting that it will likely have minimal impact on the actual outcomes.

Kind regards,

Sam Riewoldt
Senior Regulatory Analyst
Regulation