

**From:** Sam Riewoldt  
**Sent:** Tuesday, 13 August 2024 9:33 AM  
**To:** Arwin Lee  
**Cc:** [REDACTED]  
**Subject:** RE: AER 2024 Annual Benchmarking Report for transmission - preliminary benchmarking results

Hi Arwin,

TasNetworks appreciates the opportunity to provide feedback in the lead up to the release of the AER's Annual Benchmarking Report. TasNetworks is comfortable that 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 proposed methodology to calculate the real WACC may benefit from being aligned with the methodology from the Post Tax Revenue Model (**PTRM**). The methodology of using a 10 year glide path is not consistent with the methodology utilised within the PTRM for the calculation of expected inflation.

This option is discussed in a footnote in the '*AER note to TNSP on AUC updates*' and it is stated that the impact of moving to the 5 year average is not material. Nevertheless, 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

