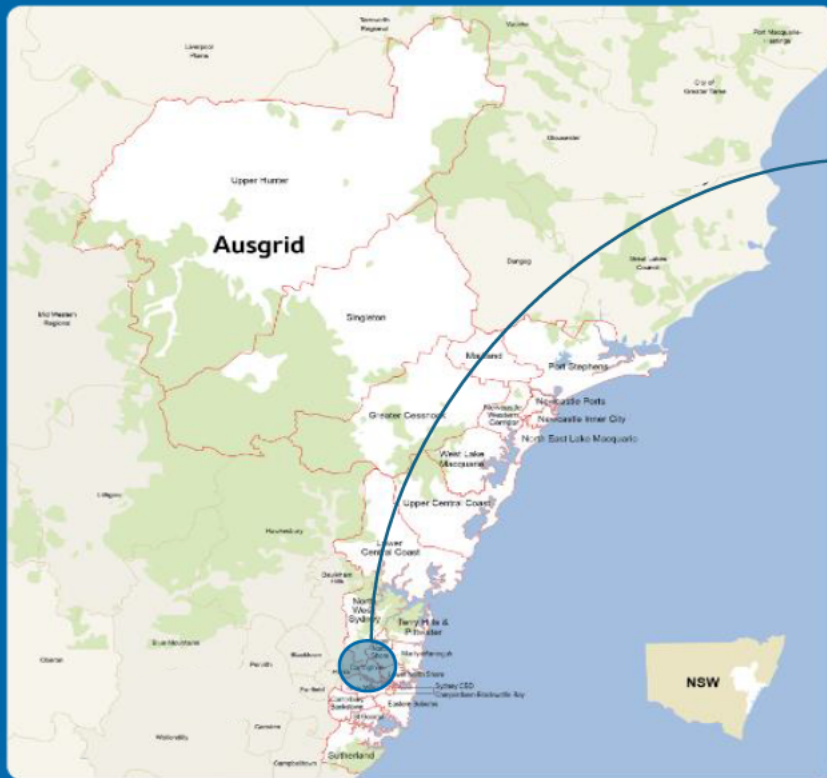


Addressing increased customer demand requirements in the Macquarie Park area

CONTINGENT PROJECT APPLICATION



07 February 2025

Addressing increased customer demand requirements in the Macquarie Park area

Contingent Project Application – 07 February 2025

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Executive Summary

This Contingent Project Application (CPA) is submitted to the Australian Energy Regulator (AER) to amend the revenue determination that applies to Ausgrid for its 2024-29 regulatory determination period, in accordance with the National Electricity Rules (NER). This amendment will enable Ausgrid to undertake the construction and commissioning of a new sub-transmission substation (STS) in the Macquarie Park area to meet increased demand from new major customer loads requesting supply in the area.

The new STS has been labelled the 'Wallumatta STS', in recognition of the original name given to the area and acknowledging its indigenous history.

Ausgrid included the project as a contingent project in its regulatory proposal for the 2024-29 regulatory determination period. The AER's final decision was to accept the inclusion of this project as a contingent project. This allows Ausgrid to seek incremental capital expenditure (capex) and operating expenditure (opex) to deliver this project, subject to the following trigger events occurring:

- Ausgrid receives a connection application or applications for loads in Macquarie Park that cannot be supplied from the existing Macquarie Park Zone Substation or the Macquarie Sub-transmission Substation.
- The AER is satisfied that Ausgrid has completed a Regulatory Investment Test for Distribution (RIT-D) to determine the preferred credible option to connect and supply the load or loads, pursuant to the NER.
- A commitment from Ausgrid to proceed with the preferred credible option from the RIT-D, subject to the AER amending Ausgrid's 2024-29 regulatory determination pursuant to the NER. To provide objective verification of this trigger, a letter from the Chief Executive Officer of Ausgrid will be sent to the AER to confirm such commitment.

These trigger events have now occurred. A RIT-D process was undertaken to consult on how to most efficiently facilitate the connection of new major loads in the Macquarie Park area. The Final Project Assessment Report (FPAR) was published on 11 October 2024, and no disputes were raised. The construction of Wallumatta STS was found to be the preferred credible option that satisfies the RIT-D. Given that less than six months have elapsed since completion of the RIT-D, Ausgrid is not required to consider whether there has been a material change of circumstances (MCC).

The major customer loads have now formally submitted connection applications that cannot be supplied from the existing network in Macquarie Park. Ausgrid is now committed to proceed with the preferred credible option. A letter from Ausgrid's CEO confirming this commitment has been sent to the AER and is attached to this CPA.

The estimated network augmentation capital cost of the Wallumatta STS is \$162.3 million (in line with the cost estimate adopted in the RIT-D). Subject to approval by the AER, the construction of the project would commence immediately, targeting commissioning in 2028-29. The forecast capex required for the current regulatory period is set out below.

Table E1 – Forecast capex by year (\$ million, real 2023-24)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Capex	█	█	█	█	█	162.31

The amended Maximum Allowed Revenue (MAR), smoothed, for the current regulatory period is set out below.

Table E2 – Amended annual maximum allowed revenue, smoothed (\$ million, nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Approved MAR smoothed (distribution)	1,538.53	1,674.69	1,822.90	1,984.23	1,935.83	8,956.83
Approved MAR smoothed (dual assets)	155.43	199.46	225.65	223.27	220.92	1,024.74
Incremental MAR smoothed	-	-	-	-	19.14	19.14
Revised total MAR*	1,693.96	1,874.15	2,048.55	2,207.50	2,175.89	10,000.05

*Incremental revenue applies only dual function asset revenue


The revenue in [Table E2](#) above presents the incremental revenue associated with the Wallumatta STS project to Ausgrid's revenue from dual function assets during the 2024-29 regulatory control period.

We expect that the construction of Wallumatta STS will lead to our residential customers facing a one-off increase in their bills of about \$1.49 in FY29 only. This small increase, reflective of about 0.25% of a typical annual residential bill, is due to the application of our standard cost recovery process.

The customers will be connected to the dual function asset network which means they will only face transmission charges and no distribution charges. Under our standard approach, the large connecting customers at Wallumatta STS will pay individually calculated tariffs (ICTs) that fund the proposed capex and opex. There is, however, a period between when Ausgrid incurs construction costs and the commissioning of the new assets. This leads to the small bill impact for our general customer base in FY29. Once the Wallumatta STS is commissioned, no impact on other customers is expected, as long as the load forecasts for Wallumatta STS customers are accurate. Importantly, forecasts are done on 'year ahead' basis – minimising forecasting risk.

In December each year Ausgrid provides Transgrid a year ahead volume forecast for all the Ausgrid owned transmission connection points. Transgrid, in its role as NSW coordinating transmission network service provider (TNSP), then calculates the transmission prices for all connection points. These Transgrid generated prices include demand components and if the Ausgrid forecast differs from actual load then there will be a mismatch between overall revenue recovered and paid to Transgrid. Ausgrid's forecasting process will ensure any mismatch is minimal, to avoid the possibility of a revenue under recovery being borne by other customers.

Table E3 – Summary of Ausgrid's contingent project

\$162m	Our forecast costs based on the RIT-D preferred credible options to connect and supply the connecting loads	See chapter 4
Total capital costs		
\$19m	The revenue increase in the 2024-29 period with the vast majority recovered from the large connecting customers	See chapter 5
Revenue increase		
\$1.49	The one-off bill increase our customers are expected to incur in FY29. Once the Wallumatta STS is commissioned, no impact on other customers is expected, as long as the load forecasts for Wallumatta STS customers are accurate.	See chapter 5
Residential bill increase		
	The trigger events prescribed by the AER in our 2024-29 regulatory determination have been met.	See chapter 3

1 Introduction

This application is submitted to the AER to amend the revenue determination that applies to Ausgrid for its 2024-29 regulatory determination period to enable the delivery of the new Wallumatta sub-transmission substation (STS). This application is submitted in accordance with the NER.¹

The project involves construction of a new sub-transmission substation in the Carlingford network area to meet the expected increase in demand.

Ausgrid included this project as a contingent project in its regulatory proposal for the 2024-29 regulatory determination period. The AER's final decision was to accept the inclusion of this project as a contingent project.

This decision allows Ausgrid to seek incremental capex and opex to deliver this project, subject to the following trigger events occurring:

- Ausgrid receives a connection application or applications for loads in Macquarie Park that cannot be supplied from the existing Macquarie Park Zone Substation or the Macquarie Sub-transmission Substation;
- The AER is satisfied that Ausgrid has completed a RIT-D to determine the preferred credible option to connect and supply the load or loads, pursuant to the NER; and
- A commitment from Ausgrid to proceed with the preferred credible option from the RIT-D, subject to the AER amending Ausgrid's 2024-29 regulatory determination pursuant to the NER. To provide objective verification of this trigger, a letter from the Chief Executive Officer of Ausgrid will be sent to the AER to confirm such commitment.

This application is structured as follows:

- Chapter 2 describes the project and provides a summary of the RIT-D process that Ausgrid has completed;
- Chapter 3 discusses the relevant regulatory requirements and how this CPA meets these requirements;
- Chapter 4 sets out the forecast capex and opex for the Wallumatta STS;
- Chapter 5 sets out the incremental revenue adjustment required to the end of the regulatory period; and
- Chapter 6 sets out a compliance checklist which shows how this CPA complies with the NER requirements.

In addition, the following attachments provide supporting information and form part of this CPA:

Appendix 1 - Letter from Ausgrid's CEO, confirming commitment.

Appendix 2 - Statement submitted to the AER and published, as per clause 5.17.4(z1).

Appendix 3 - Post tax revenue model to calculate incremental revenue for the regulatory period using AER's model.

Appendix 4 - Evidence of data centre customers connection applications.

Appendix 5 - Cost estimates for network options

Appendix 6 - Risk and Contingency Report.

Appendix 7 - Information packs discussed as part of the pre-lodgement consultation with the AER.

¹ NER clause 6.6A.2.

2 Project Summary

This section provides a description of the project, identifying the driver for the investment and providing a summary of the RIT-D undertaken for the project.

2.1 Project overview and scope

Macquarie Park is a major commercial and retail district in Sydney's northern suburbs and supplies major loads at the Macquarie shopping centre, Macquarie University, telecommunication and data centre facilities, as well as high-density residential developments. The Macquarie Park area sits along the northern boundary of the wider Carlingford area of Ausgrid's network.

The Carlingford area is supplied at 132kV from Transgrid's Sydney North Bulk Supply Point (**BSP**), Mason Park and Lane Cove Sub-transmission Switching Stations (**STSS**), and at 66kV from Endeavour's Carlingford STS.

Ausgrid's intention in this network area is to maintain primary supply at 132kV and 66kV, supply zone substations and large customer loads from a mixed 132kV/66kV sub-transmission network and supply commercial and residential loads from the 11kV network.

The Macquarie Park area has been selected by the NSW Department of Planning, Housing and Infrastructure (**DPHI**) to accommodate new residential dwellings and commercial floorspace, which will increase demand on the 11kV distribution network in the area.

The Macquarie Park area has also developed into a significant hub in Sydney for data centre customers, due to the proximity of telecommunications (i.e. major optical fibre trunk connections), electricity and transportation infrastructure.

In the last two years, Ausgrid has connected three large data centres and is in the process of connecting a further two. The network was significantly augmented to accommodate the connection of these five major loads – specifically:

- In 2018, a RIT-D was undertaken to address connection of three new loads in the area, which found that a new 132/33kV Macquarie STS was the preferred option in light of the expected demand at that point in time; and
- In 2023, a subsequent RIT-D was completed to address the connection of two additional major loads in the Macquarie Park area, which concluded that the preferred option was to install a third 120 MVA transformer at the Macquarie STS.

The Macquarie STS was subsequently built and commissioned in July 2021, and the three initial customers were connected between June 2022 and April 2023. The third transformer is on track to be commissioned by December 2025, with the two additional major customers expected to be connected around the same time.

The existing Macquarie STS is co-located within the same site as the existing Macquarie 132/11kV Zone Substation (**ZS**), in Waterloo Rd, Macquarie Park. Figure 1 in the next page shows the location of Macquarie STS and other major substations in the Carlingford network area.

Figure 1 – Location of Macquarie STS within the Carlingford network area



Once the third transformer is installed at Macquarie STS, there will be five major customer loads connected, and these loads will utilise all available connection bays at that site. Physical site restrictions mean that additional bays, and thus new major loads, cannot be accommodated at the existing STS and so any new loads would need to be accommodated using other means. This was recognised in the 2023 RIT-D, which stated that further network investment (covered by a separate RIT-D process) would be required to accommodate any additional major loads in the Macquarie Park area due to the site limitations preventing addition of any further transformers and switchgear at Macquarie STS.²

We have since received a further four connection applications from data centre customers seeking to connect in the Macquarie Park area. Each of these four applications are seeking connection from December 2028 at 33kV, since 132kV (or 66kV) supply points would require the developers to allocate space on their property for cables and equipment, and because their current design models are based on 33kV input supply modules.

These customers have a total expected eventual load of 345MVA with secured redundancy, “N-1” supply requirements.

Additional interest has also been received from other data centre customers, with plans to expand their footprint in the Macquarie Park vicinity. So far Ausgrid has received two connection enquiries and expects to receive more in the near term.

Considering the site restrictions at Macquarie STS to allow further 33kV connection points and capacity via additional transformers, Ausgrid is planning to build a new 132/33kV STS to meet the increase in demand from the new data centres. The construction of the project will involve the following scope:

- Acquisition of property in the Macquarie Park area;
- Construction of the new Wallumatta 132/33kV STS, comprising 3 transformer units, a new switchroom building to accommodate 10x132kV and 18x33kV indoor circuit breakers; and

² Ausgrid, *Addressing increased customer demand in the Macquarie Park area*, FPAR, March 2023, p. 3.

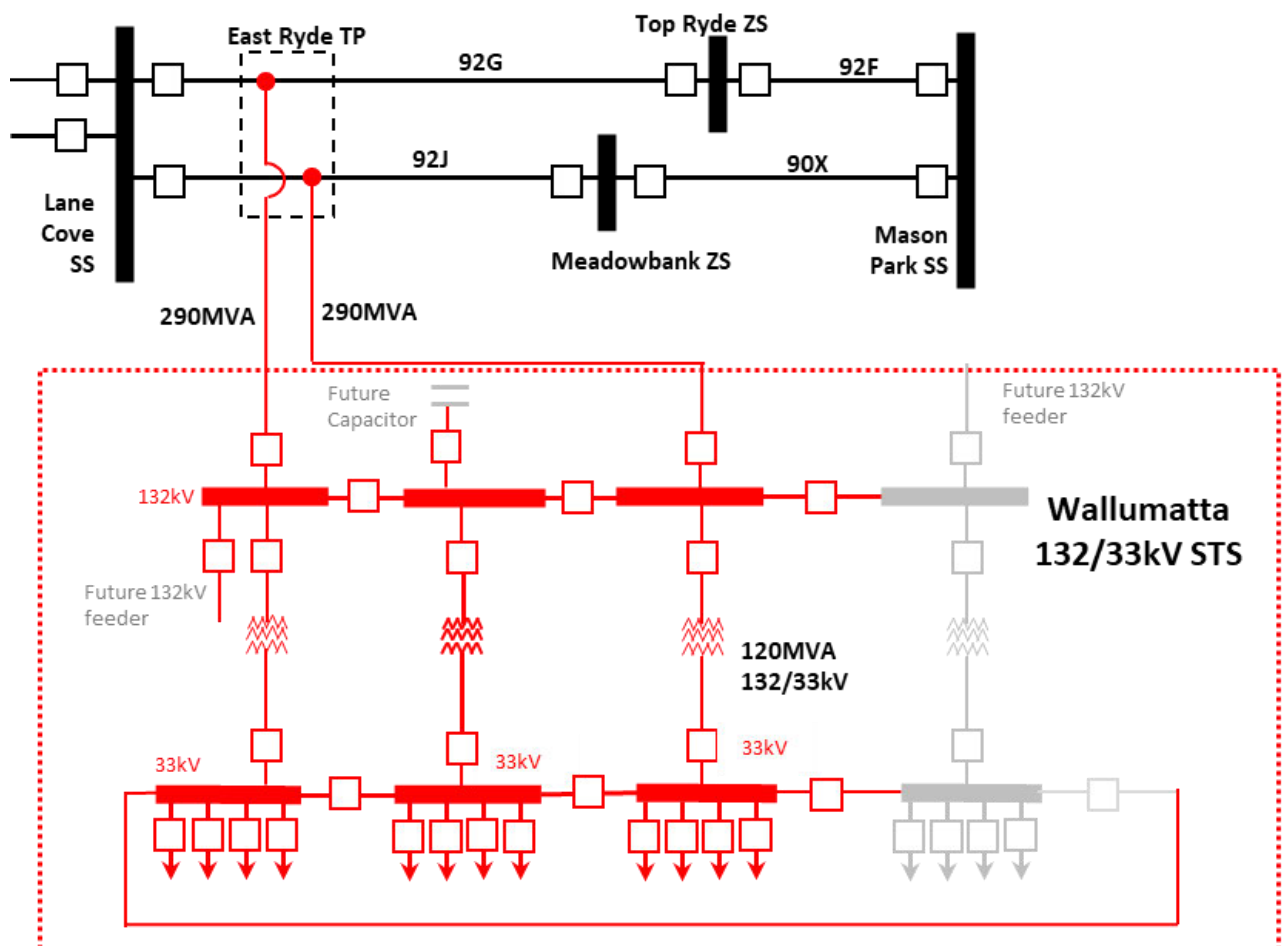
- Installation of 2x132kV feeder connections to tee off from East Ryde Transition Point to the STS, including pole structures to connect to East Ryde Transition Point, construction of approximately 7km of dual circuit ductlines from this point to the STS (including boring under major roads), installation of cables in these ductlines and termination cable works at the STS cable basement.

The estimated capital cost of this project is \$162.3 million.

Ausgrid has named the new STS in Macquarie Park the 'Wallumatta STS', in recognition of the original name given to the area and acknowledging its indigenous history. The new Wallumatta STS will be constructed initially with three 120MVA 132/33kV transformer units, but capable to accommodate a future fourth transformer and associated switchgroup.

A schematic diagram of the project is presented in Figure 2, with the specific network elements shown in red.

Figure 2 – New Wallumatta STS proposed network arrangement



2.2 Regulatory Investment Test for Distribution (RIT-D)

A RIT-D assessment process was undertaken to investigate, and consult on, how to most efficiently facilitate the connection of new major loads in the Macquarie Park area.

A Draft Project Assessment Report (DPAR) was published on 16 August 2024. From an initial assessment of eleven options, the DPAR considered four of them as credible options (listed in Table 3 below) for addressing the customer demand requirements, which were assessed in accordance with the RIT-D framework. The DPAR concluded that the preferred option (Option 5) was the construction of a second STS in Macquarie Park at a site located in relative proximity to the new major customers.

The DPAR also summarised Ausgrid's assessment of the ability for non-network or stand-alone power system (SAPS) solutions to assist in meeting the identified need, reporting that such solutions were found to be not viable for this RIT-D. The DPAR was accompanied by a separate notice that provided further detail on this assessment, in accordance with

clause 5.17.4(d) of the NER. The DPAR called for submissions from parties by 27 September 2024. No submissions were received on either the DPAR or the separate screening notice.

A FPAR was published on 11 October 2024, confirming that the preferred option under the RIT-D remained a new Wallumatta STS (Option 5). No disputes were raised on this RIT-D.

Given that less than six months have elapsed since completion of the RIT-D, Ausgrid is not required to consider whether there has been an MCC.³

A summary of the outcomes from the RIT-D is set out below:

Identified Need

If action is not taken, Ausgrid will fail to meet the requirements to connect customers under section 5.2.3(d) of the NER, which include the requirements that a Network Service Provider must:

(1) Review and process applications to connect or modify a connection which are submitted to it and must enter into a connection agreement...

(...)

(6) Permit and participate in commissioning of facilities and equipment which are to be connected to its network in accordance with rule 5.8;"

We therefore consider the identified need for this investment to be a 'reliability corrective action' under the RIT-D since investment is required to comply with the above NER obligations.

The identified need creates an opportunity to provide a scale-efficient and cost-effective investment in shared network assets to benefit multiple customers.

Options considered

Ausgrid identified multiple options, covering both network and non-network solutions, throughout both the original business case (which was provided to the AER as part of Ausgrid's regulatory proposal), and the subsequent RIT-D.

Non-network or stand-alone power system (SAPS) solutions were found to be not viable to assist in meeting the identified need, given the magnitude and characteristics of the loads.

We have assessed eleven network options following an assessment of the various potential dimensions for supply arrangements to connect the new loads, including connection to the upstream network, substation configuration and physical location. In particular, the network options have been defined in the following terms:

- Three substation arrangements to connect customers:
 1. a new 132/33kV STS, or
 2. a new 132kV STSS, or
 3. a new 132/33kV STS with an expanded 132kV busbar to enable both 33kV and 132kV connections.
- Three connection arrangements to the upstream 132kV network:
 1. a loop into 132kV Feeder 92B (Sydney North BSP to Lane Cove STSS), or
 2. a loop into 132V Feeders 92A & 92B (Sydney North BSP to Lane Cove STSS), or
 3. a tee connection to 132kV Feeders 92G & 92J (Mason Park STSS to Lane Cove STSS).
- Three sites to accommodate the new substation:
 1. [REDACTED] Macquarie Park (site 1), or
 2. [REDACTED] Macquarie Park (site 2), or
 3. [REDACTED] Macquarie Park (site 3).

The estimated costs of implementing these options are presented in the next table, noting these estimates are inclusive of direct costs, overheads and contingency.

³ NER clause 5.17.4 (t1)

Table 4 – Network options initially considered (\$ million, real 2023-24)

Option	Description	Network capital cost	Customer connection	Total costs
Option 1	New 132/33kV STS at site 1 looped into 132kV Feeder 92B	\$188	\$28	\$217
Option 2	New 132/33kV STS at site 1 looped into 132kV Feeders 92A & 92B	\$252	\$28	\$280
Option 3	New 132kV STSS at site 3 and new 132/33kV STS at site 1 looped into 132kV Feeder 92B	\$200	\$28	\$229
Option 4	New 132/33kV STS at site 1 tee connected at East Ryde Transition Point to 132kV Feeders 92G & 92J	\$179	\$28	\$207
Option 5	New 132/33kV STS at site 2 tee connected at East Ryde Transition Point to 132kV Feeders 92G & 92J	\$162	\$12	\$175
Option 6	New STS with expanded 132kV busbar at site 1 tee connected to 132kV Feeders 92G & 92J	\$186	\$28	\$214
Option 7	New STS with expanded 132kV busbar at site 2 tee connected to 132kV Feeders 92G & 92J	\$170	\$12	\$182
Option 8	New 132kV STSS (expandable) at site 1 looped into 132kV Feeder 92B	\$179	\$126	\$305
Option 9	New 132kV STSS (expandable) at site 1 tee connected to 132kV Feeders 92G & 92J	\$169	\$126	\$294
Option 10	New 132kV STSS (expandable) at site 2 tee connected to 132kV Feeders 92G & 92J	\$152	\$106	\$258
Option 11	New 132kV STSS (expandable) at site 3 looped into 132kV Feeder 92B	\$185	\$181	\$366

Options 1 to 3 presented in the contingent project business case are no longer considered credible. This is due to a change in the value of the land required. In 2023, the NSW DPPI proposed to rezone land in the Macquarie Park area, suitable for residential high rise. The expectation that this proposal would be accepted increased the estimated value for all options involving site 1, compared to the value assumed in the initial contingent project business case, making Options 1 to 3 materially more expensive. These options also have other drawbacks, including expected overloading on tee connection 92A(2) to the Macquarie Park ZS under N-1 conditions (for Option 1), the need for twin cables in two different routes to maintain network rating capacity (Options 1 and 2), and having to secure a second property (Option 3), noting that placing a large substation in a residential area will have an adverse community impact (Options 1 to 3).

Options 8 to 11 in the FPAR are also not considered credible. These options proposed 132kV supply to customers. As they have 33kV input supply modules, each customer would have to install substation equipment onsite to reduce the voltage, which would occupy areas on their properties that otherwise could be used for their core businesses. The additional customer connection costs required mean that these options have overall materially higher costs. In addition, site 3 is not suitable to accommodate a large switching station. Expansion of this site will require compulsory acquisition and national park land clearing, leading to a high risk of project delays and higher costs.

As a result, the assessment has been narrowed down to four credible options with greater detail captured in the FPAR. Fundamentally, the four credible options assessed differ by:

- Substation arrangement – Option 4 and Option 5 involve a new 132/33kV STS, while Option 6 and Option 7 also involve a new 132/33kV STS but include an expanded 132kV busbar to enable 132kV connections; and
- Location of STS – Option 4 and Option 6 assume the same site, while Option 5 and Option 7 assume another site.⁴

⁴ Throughout the FPAR, the locations of the sites have been redacted to not affect procurement process and, instead, we only refer to 'site 1' (for Option 4 and Option 6) and 'site 2' (for Option 5 and Option 7). Both sites are nearby the proposed locations of customers.

Each of the four different credible options are summarised in the table below.

Table 5 – Credible network options assessed (\$ million, real 2023-24)

Option	Description	Network capital cost	Customer connection	Total Costs
Option 4	New 132/33kV STS at 'site 1' tee connected at East Ryde Transition Point to 132kV Feeders 92G & 92J	\$179	\$28	\$207
Option 5	New 132/33kV STS at 'site 2' tee connected at East Ryde Transition Point to 132kV Feeders 92G & 92J	\$162	\$12	\$175
Option 6	New STS with expanded 132kV busbar at 'site 1' tee connected to 132kV Feeders 92G & 92J	\$186	\$28	\$214
Option 7	New STS with expanded 132kV busbar at 'site 2' tee connected to 132kV Feeders 92G & 92J	\$170	\$12	\$182

For continuity with the initial contingent project business case submitted as part of Ausgrid's regulatory determination process, the option numbering in the FPAR has the four credible options commencing with 'Option 4' (included in the business case) through to 'Option 7' (noting that Options 5-7 were not originally included).

Considering that all four options require acquisition of land, installation of underground cables and construction of a new substation, it is assumed that identified risks and potential cost impacts that would be included in a contingency allowance should be similar for each of these options.

In addition, all four options have an approximate 4.5 year construction time, targeting commissioning in 2028-29.

FPAR outcome

RIT-D assessment is based on cost-benefit analysis that includes an assessment of 'reasonable scenarios', which are designed to test alternate sets of key assumptions. A summary of the key variables in each scenario is provided in the table below.

Table 6 – Summary of the three scenarios investigated

Variable	Scenario 1 – central	Scenario 2 – low	Scenario 3 – high
Demand Forecast	Central (85% scaled load)	Low (60% scaled load)	High (100% scaled load)
VCR	\$52.024/kWh across all scenarios		
Discount Rate	3.54% real pre-tax across all scenarios		

Ausgrid weighted each of the demand scenarios equally in the NPV assessment.

Option 5 is the preferred option that satisfies the RIT-D as it has the highest expected net market benefits of all options. The table below summarises the estimated net market benefits for each of the four options assessed.

Table 7 – Estimated net market benefits by scenario and weighted (\$ million, real 2023-24)

Option / scenario	Central demand	High demand	Low demand	Weighted	Rank
Scenario weighting	1/3	1/3	1/3	1	
Option 4	1,314	1,689	78	1,027	3
Option 5	1,330	1,705	94	1,043	1
Option 6	1,310	1,685	74	1,023	4
Option 7	1,315	1,690	79	1,028	2

3 Regulatory requirements

This section provides details of the relevant regulatory requirements that must be met by this CPA.

3.1 Overview of regulatory requirements

3.1.1 Information to be contained in the CPA

The regulatory requirements for contingent projects are contained in clause 6.6A.2(b) of the NER and in the AER's Process Guideline for CPAs.⁵

Clause 6.6A.2(b) sets out that a CPA must contain the following information:

- an explanation that substantiates the occurrence of the trigger event;
- a forecast of the total capital expenditure for the contingent project;
- a forecast of the capital and incremental operating expenditure, for each remaining regulatory year which the DNSP considers is reasonably required for the purpose of undertaking the contingent project;
- how the forecast of the total capital expenditure for the contingent project meets the Rule threshold;
- the intended date for commencing the contingent project (which must be during the regulatory control period);
- the anticipated date for completing the contingent project (which may be after the end of the regulatory control period); and
- an estimate of the incremental revenue which the DNSP considers is likely to be required in each remaining regulatory year of the regulatory control period as a result of the contingent project being undertaken.

3.1.2 Requirements that the AER must be satisfied before making a determination

Before any amount and timing for a contingent project can be determined, the AER must be satisfied that:

- the trigger event has occurred;
- the forecast capex meets the materiality threshold; and
- Ausgrid has complied with its obligations under clauses 5.17.4(z) and 5.17.4(z1).

3.1.3 How this CPA complies with the regulatory requirements

This CPA complies with the above regulatory requirements. In particular:

- The remainder of this chapter 3 provides material to substantiate that the trigger events have occurred, and also confirms that the NER requirement relating to the project timing (including expected commencement and completion dates), pre-lodgement consultation with the AER, and MCC provisions have all been met;
- Chapter 4 sets out our forecast total capex and incremental operating expenditure for the remainder of the regulatory period, confirming that this exceeds the materiality threshold to submit a CPA; and
- Chapter 5 calculates the incremental revenue required for the remainder of the regulatory period.

For cross-check purposes, chapter 6 sets out a checklist which shows how this CPA meets the regulatory requirements.

⁵ Australian Energy Regulator, Process guideline for contingent project applications under the National Electricity Rules, September 2007.

3.2 Trigger events have occurred

3.2.1 Applications for loads to be connected have been received

The first trigger for the CPA is Ausgrid receiving a connection application or applications for loads in Macquarie Park that cannot be supplied from the existing Macquarie Park ZS or the Macquarie STS.

Ausgrid has received four formal connection applications:

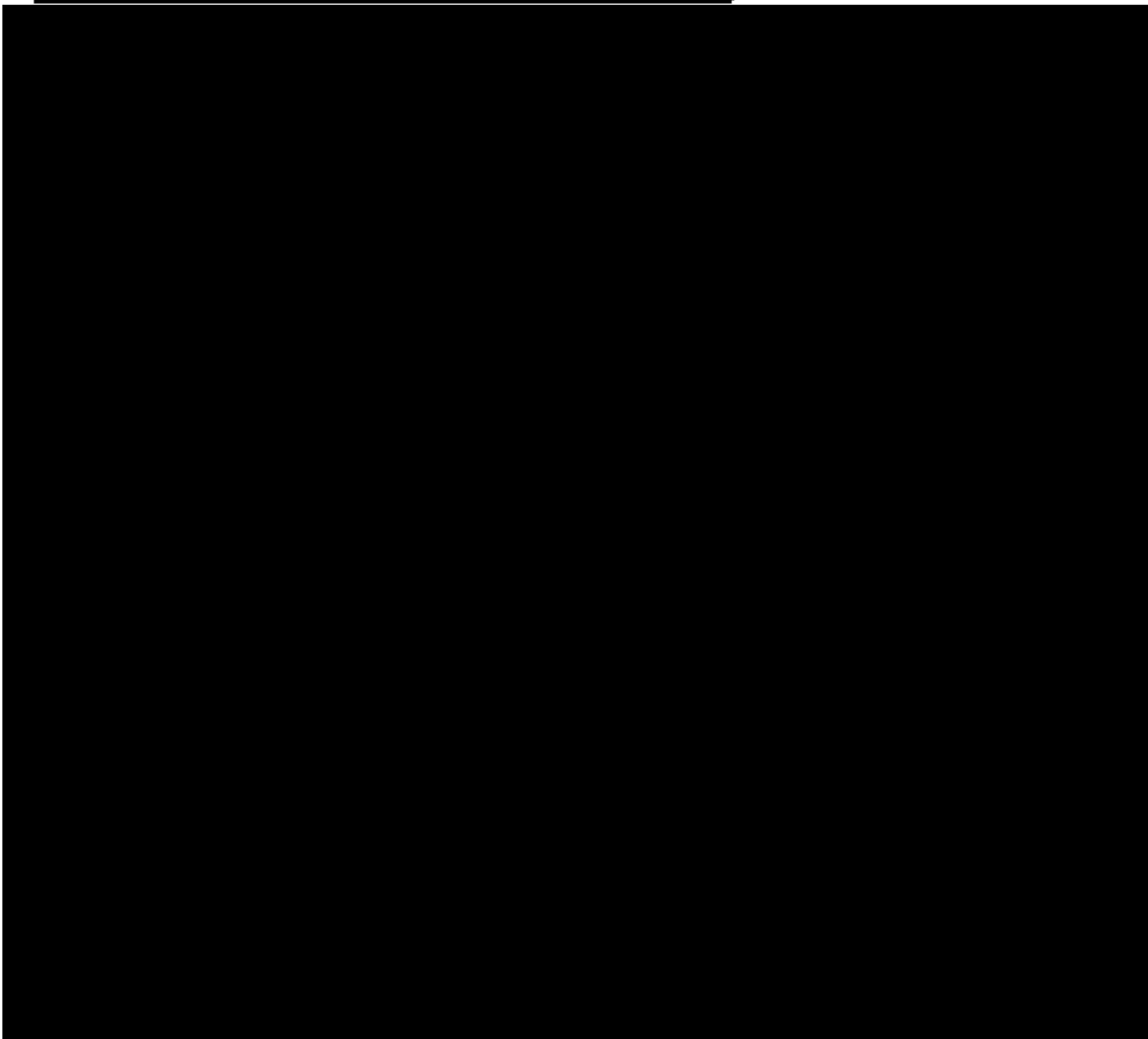
[REDACTED]

The customer initially requested 50MVA at N-1 to be supplied permanently at a preferred supply voltage of 33kV. Later in 2023, the customer updated their supply requirements to 90MVA at N-1.

[REDACTED] Network planning advice has been provided to the customer, and the customer has accepted the recommendation to receive supply by establishing 2x33kV new feeders from the proposed new Wallumatta STS.

The proposed location of the data centre facility is shown in the figure below.

[REDACTED]



The applicant is currently preparing a State Significant Development Application [REDACTED] to the NSW Government⁶. [REDACTED]

Design information is currently in progress, together with commercial negotiations.

[REDACTED]

[REDACTED]

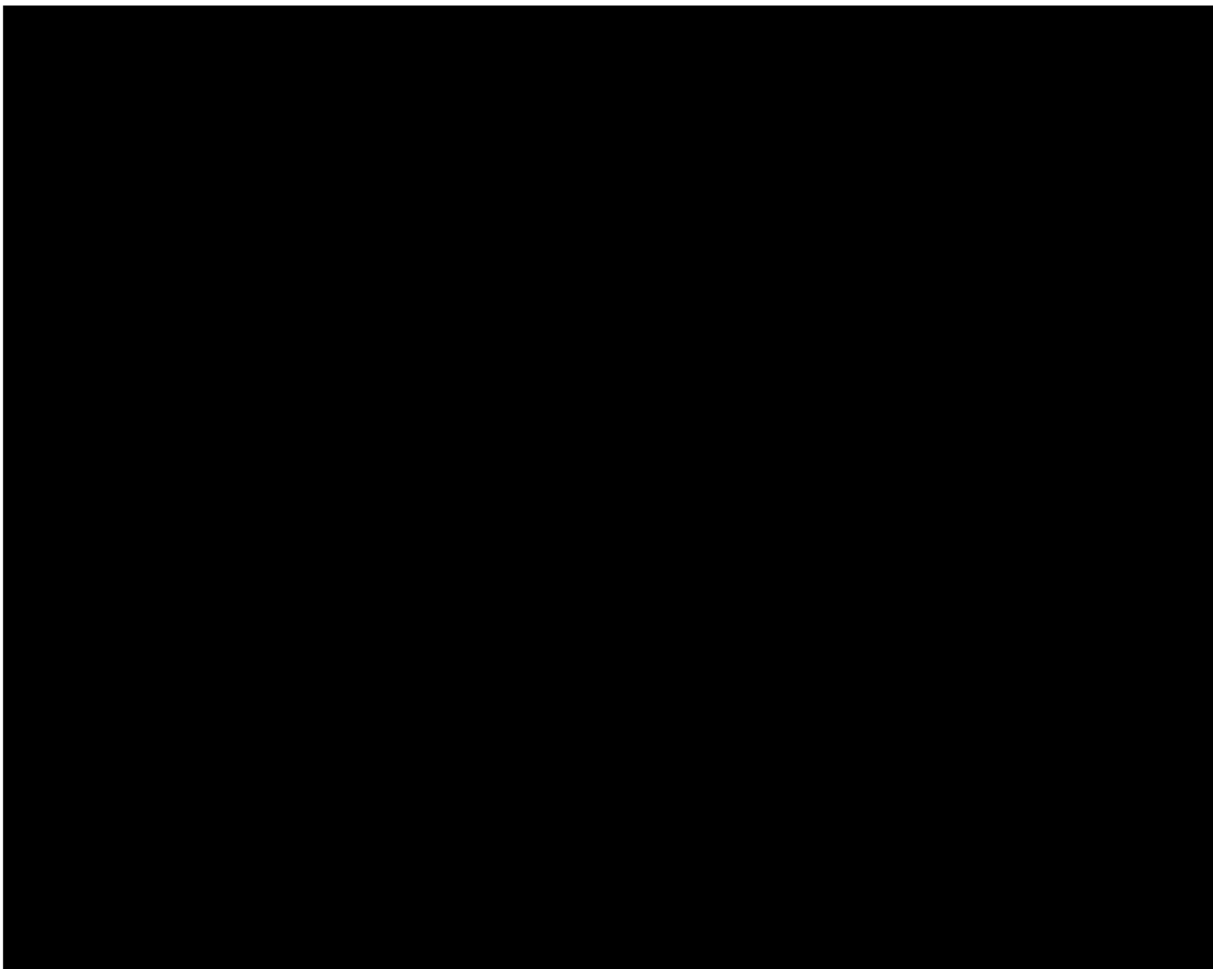
The customer requested 90MVA capacity at N-1 to be supplied permanently. The applicant has indicated a preferred supply voltage at 33kV.

In their connection application submitted in 2023, the customer requested supply to be available by Q3 2027. However, they are fully aware of the proposed development timeline for the Wallumatta STS.

[REDACTED] Network planning advice has been provided to the customer, and the customer has accepted the recommendation to receive supply by establishing 2x33kV new feeders from the proposed Wallumatta STS.

The proposed location of this data centre facility is shown in the figure below.

[REDACTED]



It should be noted that the rezoning proposed by the NSW DPPI was finalised in November 2024⁷. In the Finalisation Report, this data centre development is being allowed.

Design information is currently in progress, together with commercial negotiations.

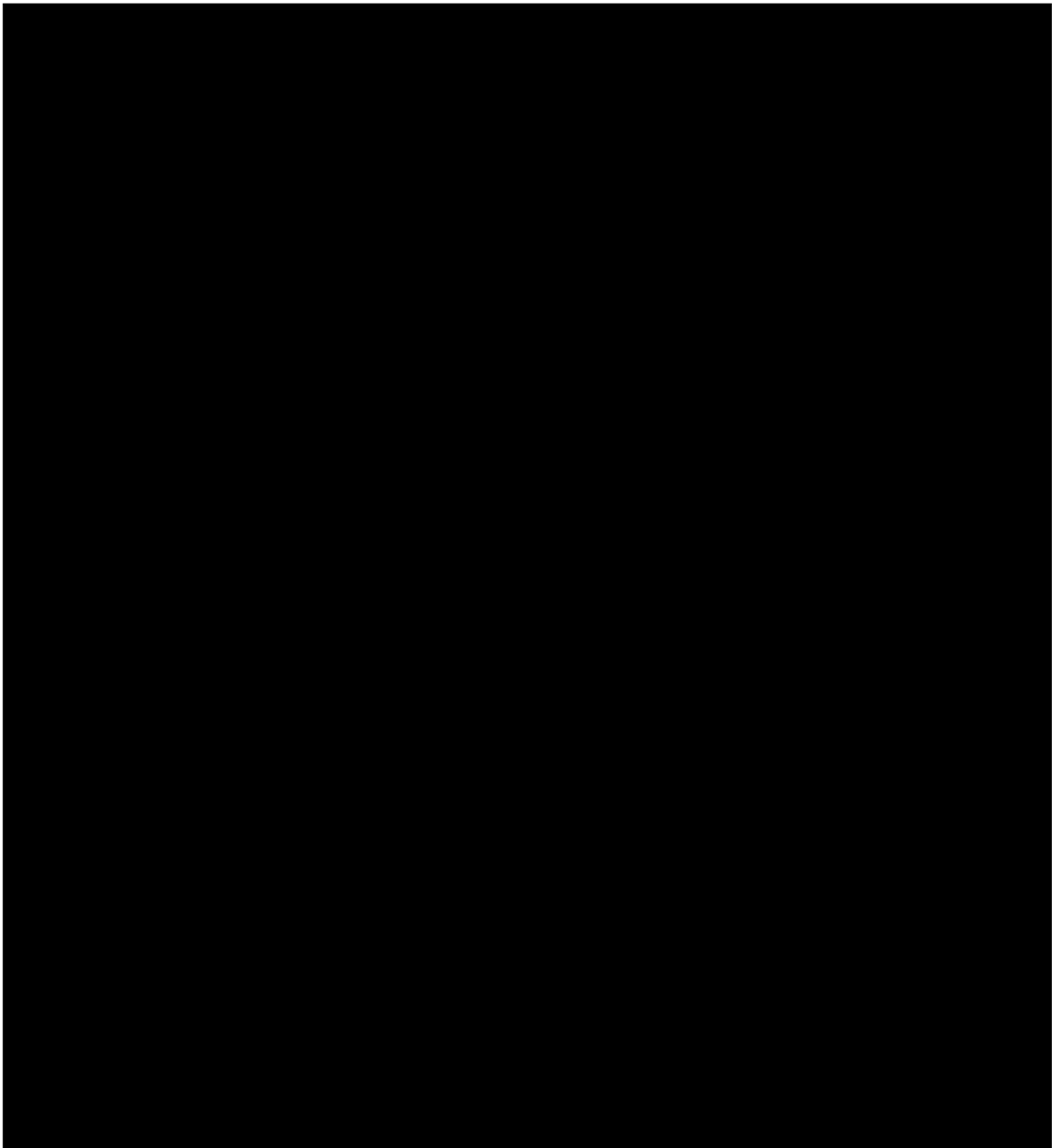
[REDACTED]

[REDACTED]

The customer is requesting permanent N-1 supply to cater for 90MVA capacity [REDACTED] Macquarie Park, and 75MVA [REDACTED] Macquarie Park.

The proposed location of these data centre facilities is shown in Figure 5.

[REDACTED]



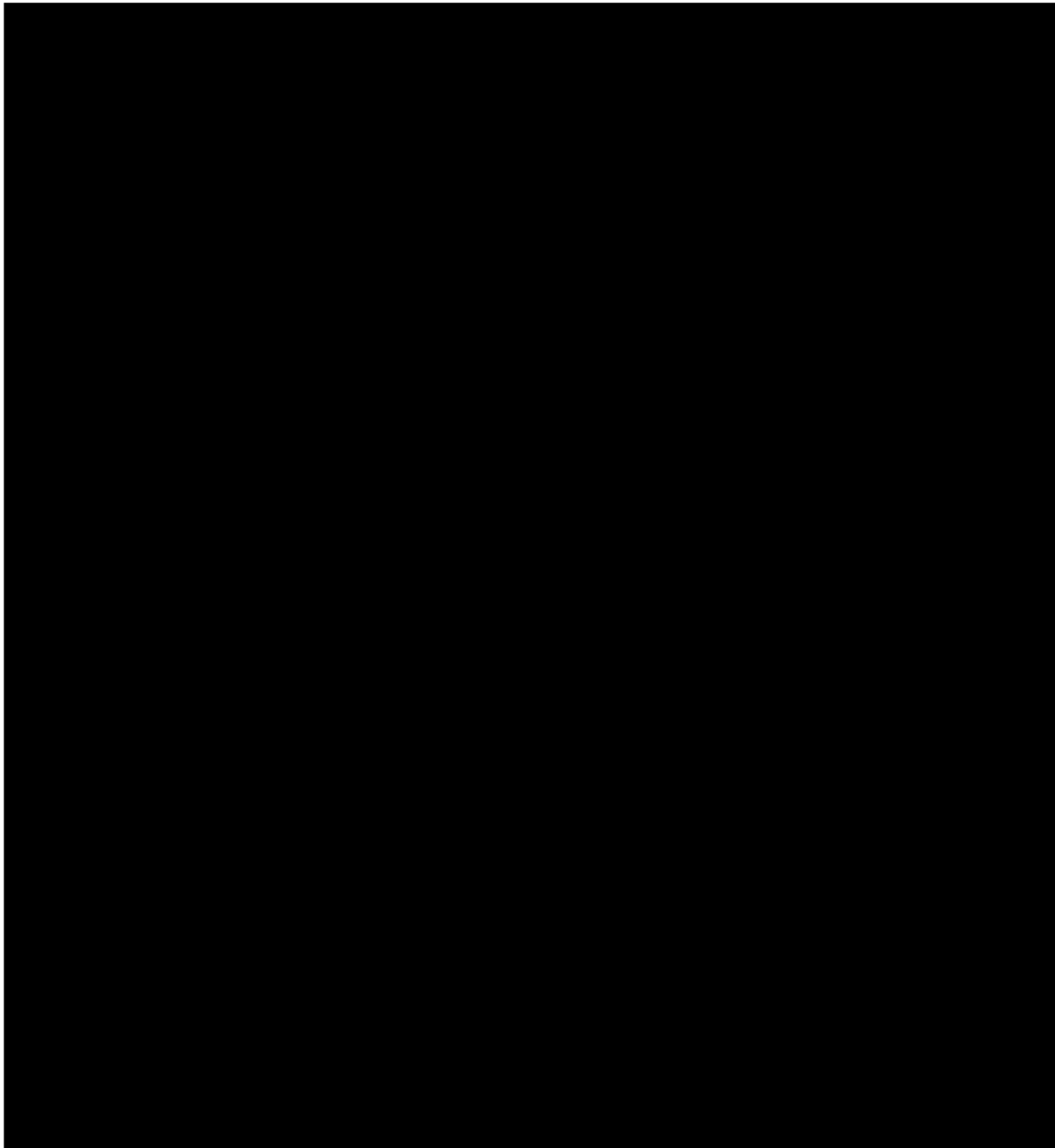
The applicant is currently preparing a State Significant Development Application [REDACTED] to the NSW Government⁹. The development has been named [REDACTED] and includes construction, fit out and 24/7 operation of a Data Centre including ancillary office space with an initial load capacity of approximately 90MVA [REDACTED]

Design information is currently in progress, together with commercial negotiations.

Please refer to Appendix 4 for further details about these connection applications.

[REDACTED]

The four data centre developments, as specified in their corresponding connection applications, are shown in the figure below, and are all located in close proximity to the proposed location of Wallumatta STS.



In summary, Ausgrid has now received four formal applications for load centres, which cannot be supplied by the existing Macquarie STS or the Macquarie Park ZS. It follows that this trigger event is satisfied.

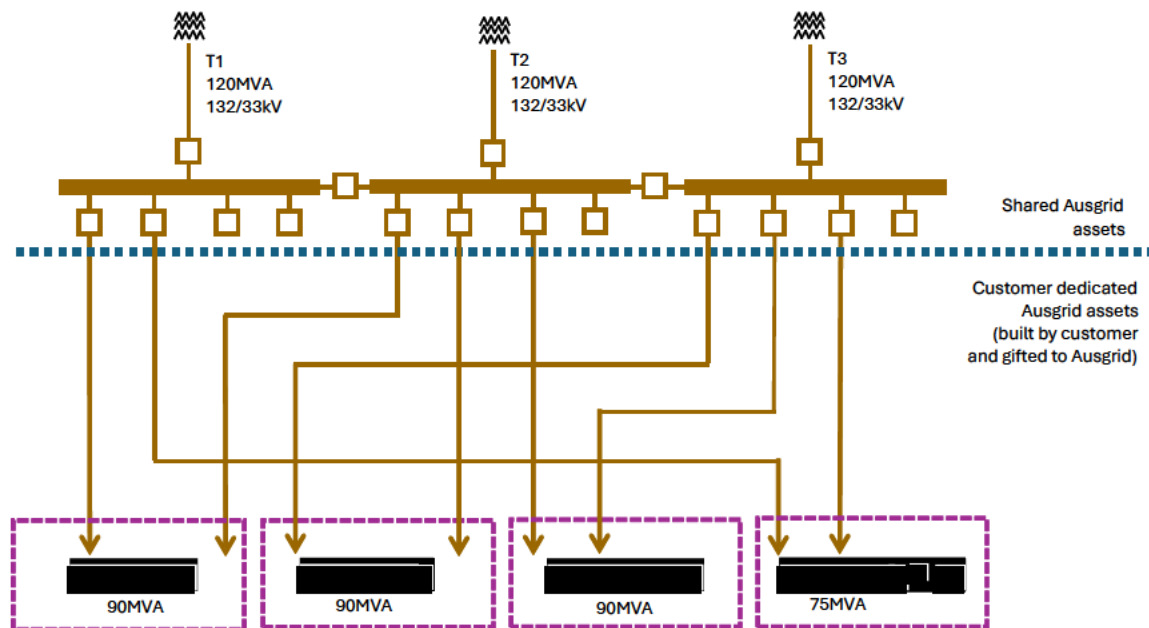
In the FPAR we describe that:

- the project scope would remain unchanged if 3 instead of 4 connection applications materialise;
- minor adjustments to scope will occur if there are only 2 connection applications that proceed;
- if only one connection application proceeds, no shared network asset is required. The customer will pay the entire connection; and
- if there were no new connection applications, then investment would not proceed.

The proposed scope remains unchanged from that in the FPAR, given that Ausgrid has now received four formal connection applications.

An indicative connection arrangement for these four connection applications is presented in the diagram below.

Figure 7 – Connection arrangements for new data centre loads at Wallumatta STS



Note – Feeder bay allocations are indicative only

3.2.2 Ausgrid has successfully completed a RIT-D

The second trigger for the CPA is that the AER is satisfied that Ausgrid has completed a RIT-D to determine the preferred credible option to connect and supply the load or loads, pursuant to the NER.

Ausgrid has completed its RIT-D process, with its FPAR published on 11 October 2024. The 30-day dispute period ended on 10 November 2024, and no enquiries/disputes were received in relation to the RIT-D. Refer to section 2.2 of this CPA for further details.

3.2.3 Ausgrid’s CEO has sent a letter to the AER confirming our commitment to proceed with the preferred option identified in the RIT-D

The final trigger for the CPA is a letter from Ausgrid’s CEO to the AER to confirm Ausgrid’s commitment to delivering the preferred option, subject to the AER amending Ausgrid’s 2024-29 regulatory determination pursuant to the NER.

This letter was sent to the AER on 07 February 2025. A copy of the letter is included in Appendix 1.

3.3 Project Timing

The expected commencement and completion dates for this project are as follows:

- Date for commencement: April-June 2025
- Expected completion date: January 2029

As the commencement date is during the current 2024-29 regulatory control period, the proposed timing meets the relevant criteria set out in clause 6.6A.2(b) of the NER.

3.4 Pre-lodgement consultation with the AER

The AER’s Process Guideline for Contingent Project Applications under the NER encourages network service providers to engage with the AER prior to lodgement of a contingent project.

We undertook a pre-lodgement process with the provision of a range of background and supporting information to the AER team responsible for assessing Ausgrid's regulatory proposal. As part of this process, we discussed details of the contingent project, sought feedback in relation to key areas our application should address, agreed timing to submit the CPA and discussed lessons learnt from previous applications. Dates and topics discussed in these meetings are provided below:

- 11 November 2024: review of progress against approved trigger events and changes experienced since the initial Wallumatta project business case was submitted to the AER in November 2023;
- 20 November 2024 - discussed details of credible and non-credible options proposed during the RIT-D process, including consideration of network capital costs and customer connection costs; and
- 27 November 2024 - discussed the pricing and revenue aspects of the Wallumatta STS CPA.

For these sessions, two presentations were prepared. These information packs are included as Appendix 7.

3.5 Compliance with clauses 5.17.4(z) and 5.17.4(z1)

Clause 5.17.4(z) states that at the same time as a RIT-D proponent submits a CPA, the proponent must also provide the AER with a statement containing the confirmation:

- on whether there has been a material change in circumstances, including any supporting analysis;
- whether the proponent has met its obligations to reapply the RIT-D;
- of the actions (if any) the RIT-D proponent was required to take pursuant to a determination by the AER and timeframe within which any such actions were to be completed; and
- of the actions (if any) the RIT-D proponent took as a result of the MCC and the date on which any such actions were completed.

In accordance with this requirement, Ausgrid's confirms that:

- there has not been an MCC, given that less than six months have elapsed since completion of the RIT-D, and
- no additional actions have been imposed by the AER.

A formal statement is provided at Appendix 2. Ausgrid will also publish this statement in accordance with the clause 5.17.4(z1), which requires that it is published at the same time, or as soon as reasonably practicable after, the RIT-D proponent's submission of a CPA.

4 Forecast capex and opex

This section provides details of the forecast total capex for the project as well as a forecast of the capital and incremental operating expenditure for the remainder of the current 2024-29 regulatory period.

4.1 Forecast capex

4.1.1 Total forecast capex

The table below provides a summary breakdown of the cost components for the project, and the basis of this capex forecast. The total capital cost remains the same as adopted in the RIT-D FPAR.

Table 8 – Overview of forecast capex (\$ million, real 2023-24)

Capex item	Labour	Materials	Contracted Services	Total	Basis for forecast
Acquisition of property	█	█	█	█	Market valuation
New 132/33kV STS	█	█	█	█	Costs from similar projects
132kV connections	█	█	█	█	Costs of similar cable replacement projects
Total exc. contingency	█	█	█	█	
Contingency allowance	█	█	█	█	Probabilistic risk assessment
Total	17.18	52.76	92.37	162.31	

Ausgrid has estimated the project capex by considering the scope of works necessary for the preferred option together with costing experience from previous projects of a similar nature, including:

- establishment of Macquarie STS, completed in July 2021, and Alexandria STS, completed in July 2017;
- installation of an additional transformer at Macquarie STS, currently in construction and planned for completion in December 2025;
- replacement of 132kV feeders supplying Zetland and Waterloo load areas, including feeders 9SA and 92P running from the Beaconsfield BSP to Campbell St ZS and Belmore Park ZS respectively, by constructing 3.5km of dual circuit ductline and installing high-capacity cables in these ductlines;
- replacement of 132kV feeder 264 supplying the Kingsford load area (Kingsford ZS) from Beaconsfield BSP, by constructing a mix of dual and single circuit ductline and installing a new high-capacity cable;
- replacement of 132kV feeders 923 and 924 supplying the Burwood load area (Burwood ZS) from Mason Park STSS, by constructing 1.5km of dual circuit ductline and installing new cables in these ductlines; and
- costs of under bores under M2 based on actual cost of horizontal directional drilling for Centenary Drive 132kV under bore project, completed in 2022.

The proposed scope includes:

- Acquisition of property at site 2;

The new Wallumatta STS will use a portion of the site area. █

- Construction of the new Wallumatta 132/33kV STS, comprising:
 - 4 transformer bays (3 for the new transformers and one additional for a future 4th unit)
 - 3 x 120MVA 132/33kV transformer units;
 - A new switchroom building with similar dimensions as per Alexandria STS, capable to accommodate 132kV switchgear equipment and associated control and protection scheme rooms, 33kV switchgear equipment and associated protection systems rooms;
 - 10 x 132kV Gas Insulated Switchgear equipment;

- 18 x 33kV circuit breakers, including 3 transformer circuit breakers, 3 bus section breakers, and 12 feeder panels; and
- Secondary systems comprising 110V and 50V batteries, DC boards, auxiliary transformers, lightning masts and substation light & power.

The cost estimate is based on the same unit rates used in Ausgrid's 2024-29 regulatory proposal. These unit rates are in turn based on the expenditure incurred in similar projects completed in recent years.

- Installation of two 132kV feeder connections to tee off from East Ryde Transition Point to Wallumatta STS, comprising:
 - Two 132kV underground to overhead connection pole structures to connect to East Ryde Transition Point;
 - The construction of approximately 7km of dual circuit ductline from the transition point to the substation site, capable to accommodate single cables per phase (i.e., six ducts);
 - Construction of approximately 200 metres of bore under major roads (i.e., Lane Cove/Epping Rd) comprising two bores x three ducts to enable crossing of these roads;
 - The installation of new single 2000mm² cross-linked polyethylene (XLPE) cables (i.e., two circuits x three phases of 132kV CU1) between East Ryde Transition Point and the substation site;
 - The installation of 12 x 132kV joint bays; and
 - 132kV termination cable works at substation cable basement.

The cost estimate is based on the same unit rates used in Ausgrid's 2024-29 regulatory proposal. These unit rates are in turn based on the expenditure incurred in similar projects completed in recent years.

Details of the cost estimates as well as associated unit rates and other assumptions are available in Appendix 5.

Contingency costs have been estimated based on a probabilistic risk assessment, which involved multiplying the probability of an event occurring by the likely cost impact once an event occurs. The probability of an event or risk to occur is determined from the likelihood range established during risk workshops undertaken with internal Ausgrid subject matter experts, with input from external consultants specialising in managing risk. The cost impact may vary from an optimistic case (P10)⁹, a likely outcome (P50)¹⁰ to a pessimistic case (P90)¹¹ for each of the identified risks. These contingency costs reflect expected project risks. Please refer to Appendix 6 for details about how the contingency allowance has been estimated, supported by independent advice in relation to a quantified risk register and Monte Carlo analysis. The key project risks identified are associated with uncertainties around the land upon which the new STS will be built, resourcing difficulties, changes in design standards and escalation of prices. The combined value of the project risks is \$18.86 million.

Ausgrid believes that the proposed forecast capex is prudent and efficient, reflecting the amount that is reasonably required to deliver the preferred option based on the best available information. The estimates are based on projects such as Macquarie STS and replacement of feeders 9SA & 92P, which had already been deemed prudent and efficient by the AER, as they formed part of the AER's Final decision on Ausgrid's 2019-2024 determination.

4.1.2 Forecast of capex by year

The NER requires Ausgrid to forecast the capex reasonably required for the project for each remaining regulatory year of the current regulatory period, as per clause 6.6A.2(b)(2).

The table below presents the forecast capex required for each remaining regulatory year. It reflects the delivery schedule for the project and the forecast capex estimated above.

Table 9 – Forecast capex by year (\$ million, real 2023-24)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Capex	████	████	████	████	████	162.31

Based on actual expenditure incurred in similar projects recently completed, the proposed forecast capex by year has been developed on the basis of the following assumptions:

⁹ A 10% confidence that the project can be delivered to the amount or less.

¹⁰ A 50% confidence that the project can be delivered to the amount or less.

¹¹ A 90% confidence that the project can be delivered to the amount or less.

- acquisition of property and project initiation in 2024-25.
- project development and design work activities, including civil & building construction tendering in 2025-26.
- civil & building construction for substation and 132kV feeder connection works in 2026-27.
- civil works above plus equipment installation and cable laying works in 2027-28.
- completion of electrical fit-out, testing and commissioning in 2028-29.

The forecast capex profile is consistent with that proposed in the RIT-D, which was subject to public consultation.

4.1.3 Expected capex exceeds the materiality threshold for a CPA

The AER must be satisfied that the forecast capex amount exceeds a threshold amount for a CPA application.

The relevant threshold is either \$30 million or 5 per cent of the value of the annual revenue requirement for the relevant Distribution Network Service Provider for the first year of the relevant regulatory control period, whichever is the larger amount, as per clause 6.6A.2(b)(4).

Ausgrid's annual revenue requirement as determined by the AER is \$1,693.96 million for 2024-25 (\$ nominal, smoothed for Ausgrid's distribution and transmission networks¹²), the first year of the 2024-29 regulatory period, or \$1,650.07 million in real 2023-24. 5 per cent of Ausgrid's annual revenue requirement in 2024-25 is \$82.5 million in real 2023-24.

The proposed forecast capex for this project is \$162.31 million, which exceeds the materiality threshold of \$82.5 million.

4.1.4 Capex forecast for the CESS

The incremental capital expenditure above results in an increase in the ex-ante capital expenditure forecast for the purposes of the Capital Expenditure Sharing Scheme (CESS) in accordance with the requirements of the scheme¹³.

The revised capex forecast to be used to calculate efficiency gains in the current regulatory period is outlined in the table below, compared with the existing CESS target.

Table 10 – Forecast capex for the CESS (\$ million, real 2023-24)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Existing target capex for CESS	650.11	587.07	597.29	580.98	549.84	2,965.28
New target capex for CESS	687.10	596.87	652.20	635.98	555.44	3,127.59

¹² <https://www.aer.gov.au/documents/aer-final-decision-attachment-1-annual-revenue-requirement-ausgrid-2024-29-distribution-revenue-proposal-april-2024>. Refer to section 1.1 of this document.

¹³ <https://www.aer.gov.au/documents/aer-final-decision-review-incentive-schemes-networks-28-april-2023>.

4.2 Forecast incremental opex

Ausgrid estimates that the incremental opex associated with the preferred option is \$143,000 per year (which is estimated on the basis of 0.2% of the new STS capital cost and 0.1% of the new cable capital costs, excluding land and contingency).

Routine operating and maintenance costs are based on a fleet level assessment of assets and works of similar nature. These costs are included from 2028-29, when the proposed project is expected to be commissioned. As incremental operating costs have been calculated based on costs incurred for similar works and assets, Ausgrid considers that these costs have been calculated using best available information and reflect prudent and efficient costs.

The incremental opex forecast for each remaining year in the regulatory period is presented in the table below.

Table 11 – Forecast incremental opex by year (\$ million, real 2023-24)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Routine opex costs	-	-	-	-	0.07	0.07
Debt raising costs	-	0.02	0.02	0.05	0.08	0.17
Total	-	0.02	0.02	0.05	0.15	0.24

The opex forecast for Wallumatta STS includes the incremental Debt Raising Costs as calculated in the Post Tax Revenue Model (PTRM).

The incremental operating expenditure above results in a minor adjustment to the target operating expenditure forecast, before excludable costs, for the purposes of the Efficiency Benefit Sharing Scheme (EBSS) in accordance with the requirements of the scheme.

Table 12 – Forecast opex for the EBSS (\$ million, real 2023-24)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Existing target opex for EBSS	461.66	467.05	478.67	478.06	479.35	2,364.78
New target opex for EBSS	461.66	467.07	478.69	478.11	479.50	2,365.03

5 Incremental revenue

This section outlines the incremental revenue required to the end of the 2024-29 regulatory period. Clause 6.6A.2(b)(7) of the NER requires that incremental revenue for a contingent project must be calculated:

- in accordance with the requirements of the PTRM;
- in accordance with the requirements of the Roll Forward Model (RFM);
- using the allowed rate of return for that Distribution Network Service Provider for the regulatory control period;
- in accordance with the NER requirements for depreciation; and
- on the basis of the capex and incremental opex.

The PTRM used to calculate incremental revenue have been provided as part of this CPA (refer to Appendix 3). The modelling has been undertaken in a manner consistent with the AER's final decision for Ausgrid's 2024-29 regulatory determination. The capex and incremental opex used are set out in chapter 4.

5.1 Weighted Average Cost of Capital (WACC)

The NER requires Ausgrid to model incremental revenue based on the prevailing rate of return determined by the AER for the DNSP's current regulatory determination. The table below sets out the WACC used by Ausgrid to calculate the incremental revenue, which is consistent with the AER's final decision for Ausgrid's 2024-29 regulatory period.

Table 13 – WACC parameters

	AER's final decision 2024-29	Notes
Risk free rate	4.19%	Constant
Forecast inflation	2.66%	Constant
Market risk premium	6.20%	Constant
Gearing	60%	Constant
Equity beta	0.6	Constant
Nominal pre-tax return on debt	4.65%	Updated annually
Nominal post-tax return on equity	7.91%	Constant
Nominal vanilla WACC	5.95%	Updated annually

5.2 Regulatory depreciation

The NER require Ausgrid to model incremental revenue using the same depreciation approach as determined by the AER in its current regulatory determination. The table below sets out the asset lives used by Ausgrid to calculate the incremental regulatory depreciation revenue, using the standard asset lives approved by the AER for its transmission (dual function) network.¹⁴

Table 14 – Asset lives

Asset category	Standard life (years)
Transmission transformers 132/66KV	50.0
Transmission substation equipment 132/66KV	45.0
Zone substation equipment 132/66KV	45.0
Ancillary substation equipment (tx)	15.0
132KV feeders underground	45.0
Buildings (system)	60.0

¹⁴ <https://www.aer.gov.au/documents/aer-final-decision-attachment-4-regulatory-depreciation-ausgrid-2024-29-distribution-revenue-proposal-april-2024>. Refer to Table 4.4 of this document.

We have calculated the incremental regulatory depreciation, which is nominal straight line depreciation net of the indexation on the RAB, in a manner consistent with the AER's final decision for Ausgrid's 2024-29 regulatory period. The table below sets out the incremental regulatory depreciation and revised regulatory depreciation proposed by Ausgrid.

Table 15 – Incremental regulatory depreciation – dual function assets (\$ million, nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Approved regulatory depreciation	8.28	11.92	16.03	17.06	17.70	70.98
Incremental regulatory depreciation	-	-1.00	-1.08	-1.36	-1.64	-5.08
Revised regulatory depreciation	8.28	10.92	14.95	15.70	16.05	65.90

5.3 Tax allowance

We have calculated the tax allowance in a manner consistent with the approach adopted by the AER for Ausgrid's final 2024-29 decision. The table below sets out the incremental tax allowance and revised tax allowance proposed by Ausgrid.

Table 16 – Incremental tax allowance – dual function (\$ million, nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Approved tax allowance	3.75	3.90	4.03	3.36	3.92	18.96
Incremental tax allowance	-	0.03	0.01	-0.11	-0.21	-0.30
Revised tax allowance	3.75	3.93	4.04	3.25	3.71	18.66

5.4 Debt raising costs

We have calculated debt raising costs in a manner consistent with the approach adopted by the AER for Ausgrid's final 2024-29 decision. The table below sets out the incremental debt raising costs proposed by Ausgrid.

Table 17 – Incremental debt raising costs – dual function (\$ million, nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Approved debt raising costs	1.28	1.30	1.32	1.33	1.35	6.58
Incremental debt raising costs	-	0.02	0.03	0.06	0.09	0.19
Revised debt raising costs	1.28	1.32	1.34	1.39	1.44	6.77

5.5 Incremental revenue required for each remaining year

The table below sets out the incremental revenue requirement for each of the remaining years in the regulatory period, which reflects the input data set out above and the opex information in chapter 4.

Table 18 – Incremental revenue requirement (\$ million, nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Return on capital	-	2.32	3.06	6.93	11.06	23.37
Return of capital (regulatory depreciation)	-	-1.00	-1.08	-1.36	-1.64	-5.08
Opex	-	0.02	0.03	0.06	0.17	0.27
Tax allowance	-	0.03	0.01	-0.11	-0.21	-0.30
Unsmoothed revenue	-	1.36	2.02	5.51	9.37	18.26

5.6 Amended maximum allowed revenue

The table below sets out the incremental change and revised MAR for each of the remaining years in the regulatory period.

Table 19 – Amended annual maximum allowed revenue, unsmoothed (\$ million, nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Approved MAR unsmoothed (distribution)	1,679.33	1,814.89	1,778.77	1,791.55	1,843.65	8,908.19
Approved MAR unsmoothed (dual assets)	190.38	202.08	204.87	206.62	214.55	1,018.51
Incremental MAR unsmoothed	-	1.36	2.02	5.51	9.37	18.26
Revised total MAR unsmoothed*	1,869.71	2,018.33	1,985.66	2,003.68	2,067.57	9,944.95

*Incremental revenue applies only dual function asset revenue

The revenue in Table 19 above presents the incremental revenue associated with the Wallumatta STS project to Ausgrid's revenue from dual function assets during the 2024-29 regulatory control period.

To minimise bill impact on electricity customers, Ausgrid has calculated smoothed MAR, incorporating the existing X factors approved by the AER to 2027-28, with the final year 2028-29 X factor recalculated to achieve NPV neutrality between smoothed and unsmoothed revenue. The reason this approach minimises the bill impact on electricity customers is that revenue in the period is recovered in the year of commissioning. This means the costs of Wallumatta STS will be recovered through individually calculated tariffs from those customers directly connected to the new STS.

Table 20 – Amended annual maximum allowed revenue, smoothed (\$ million, nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Approved MAR smoothed (distribution)	1,538.53	1,674.69	1,822.90	1,984.23	1,953.83	8,956.18
Approved MAR smoothed (dual assets)	155.43	199.46	225.65	223.27	220.92	1,024.74
Incremental MAR smoothed	-	-	-	-	19.14	19.14
Revised total MAR smoothed	1,693.96	1,874.15	2,048.55	2,207.50	2,175.89	10,000.05

5.7 Customer bill impact

Wallumatta STS is expected to have a small impact on customer bills during the 2024-29 regulatory period. From the expected commissioning date of 31 December 2028, as already noted, the cost of Wallumatta STS will be recovered from the directly connected customers. This approach minimises the impact on other Ausgrid customers, with some increased charges in 2028-29 prior to the expected connection of the new customers. The table below shows the incremental network bill impact on those customers not directly connected to Wallumatta STS in 2028-29. In subsequent years, no impact is expected on these customers.

Table 21 – Indicative impact per average customer (\$ nominal, ex GST)

	2024-25	2025-26	2026-27	2027-28	2028-29
Residential EA010/EA116)		\$0.00	\$0.00	\$0.00	\$1.49
Small Business (EA050/EA256)		\$0.00	\$0.00	\$0.00	\$6.03
Medium business (EA310)		\$0.00	\$0.00	\$0.00	\$419.31
Large business		\$0.00	\$0.00	\$0.00	\$1,188.34
Industrial		\$0.00	\$0.00	\$0.00	\$2,288.22

6 Guide to compliance

This section sets out a checklist that demonstrates the compliance of this CPA with the NER requirements.

Clause	NER Requirement	Section in CPA
6.6A.2(b)(1)	an explanation that substantiates the occurrence of the trigger event	3.2 & Appendix 1 & 4
6.6A.2(b)(2)	a forecast of the total capex expenditure for the contingent project	4.1
6.6A.2(b)(3)	A forecast of the capital and incremental operating expenditure for each remaining regulatory year which is reasonable required for the purpose of undertaking the contingent project.	4.1.2 & 4.2
6.6A.2(b)(4)	How the forecast of the total capex for the contingent project meets the threshold	4.1.3
6.6A.2(b)(5)	The intended date for commencing the contingent project	3.3
6.6A.2(b)(6)	The anticipated date for completing the contingent project	3.3
6.6A.2(b)(7)	<p>An estimate of the incremental revenue which is likely to be required to be earned in each remaining regulatory year of the regulatory control period as a result of the contingent project being undertaken, which must be calculated:</p> <ul style="list-style-type: none"> (i) In accordance with the requirements of the post-tax revenue model referred to in clause 6.4.1 (ii) In accordance with the requirements of the of the roll forward model referred to in clause 6.5.1(b) (iii) Using the allowed rate of return for that DNSP for the regulatory control period as determined in accordance with clause 6.5.2 (iv) In accordance with the requirements for depreciation referred to in clause 6.5.5, and (v) On the basis of the capex and incremental opex referred to in subparagraph (b)(3). 	5
5.17.4(z)	<p>At the same time that a RIT-D proponent submits an application under clause 6.6A.2(a), the RIT-D proponent must provide the AER with a statement to containing information:</p> <ul style="list-style-type: none"> (1) on whether or not there has been a material change in circumstances contemplated under subparagraph (t)(3) and any supporting analysis (2) that the RIT-D proponent has complied with its obligations under paragraphs (t), (u1) and (u2); (3) of the actions (if any) the RIT-D proponent was required to take pursuant to a determination by the AER under paragraph (w) and timeframe within which any such actions were to be completed; and (4) of the actions (if any) the RIT-D proponent took as a result of the material change in circumstances and the date on which any such actions were completed 	Appendix 2



Ausgrid