

28 February 2025

Dr Kris Funston
Executive General Manager, Network Regulation
Australian Energy Regulator

Email: [REDACTED]

Dear Dr Funston

Re: TasNetworks - August-September 2024 storm cost pass through application -
Distribution

TasNetworks is Tasmania's state-owned electricity network company. We own, operate, and maintain the electricity transmission and distribution networks in Tasmania and are responsible for the transmission and distribution of electricity across the island. The network consists of critical infrastructure, including substations, poles, and wires, ensuring reliable power supply to homes, businesses, and industries.

The [REDACTED] submit a cost pass through application to the Australian Energy Regulator (AER) under clause 6.6.1 of the National Electricity Rules (NER) for determination in relation to a storm event in August/September 2024 in relation to the distribution network. The application and attachments form our written statement for the purposes of clause 6.6.1(c) of the NER.

From 26 August-4 September 2024, TasNetworks experienced a catastrophic storm event, categorised as a natural disaster by the Federal Government. The storm caused damaging winds, heavy rainfall, and flooding, across the state with challenging weather conditions continuing to 16 September. This was, by a number of measures, the most severe and extended storm that TasNetworks has ever experienced with eight of the ten days during the pass through event meeting the threshold to be classified as major event days on the distribution network.

TasNetworks [REDACTED] residential, business, commercial, and industrial customers. At the peak there were around 45,000 Tasmanians without electricity. However, due to the extended nature of the storm event, in total there were over 1,920 outages that left 216,000 customers without power, with many customers experiencing multiple outages. Due to the remote nature of parts of TasNetworks' distribution network and challenges with access, some more complex restorations took up to 23 days.

This application is made under clause 6.6.1 of the NER in respect of a nominated pass through event under clause 6.6.1(a1)(5). The AER's Final Decision on our 2024-2029 regulatory proposal accepted 'natural disaster event' as a nominated pass through event for the 2024-2029 regulatory period.

As a result of the storm event TasNetworks incurred an increase in costs to provide direct control services that exceeds the materiality threshold. The total eligible costs are \$9.41 million (\$nominal) primarily consisting of capital expenditure related to asset replacement and increased labour costs for emergency response.

We are seeking to pass through revenue of \$4.08 million (\$nominal, unsmoothed). We propose to recover this revenue over the final three years of 2024-29 regulatory period in order to minimise the increase in network charges.

If you have any question or require any further information about the cost pass through application, please contact Sandra Thaow, Head of Regulation, at

[REDACTED]

Yours sincerely

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Michael Westenberg
Executive Finance and Regulation