

The Australian Energy Regulator

Directlink

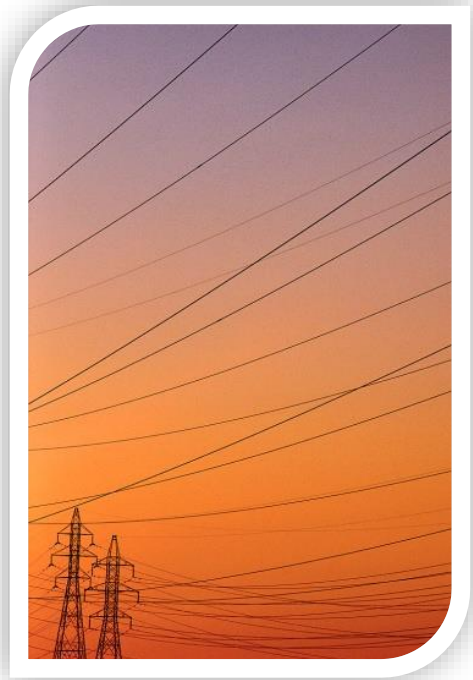
2020-25 electricity transmission determination

Public forum

Tuesday 9 April 2019

2:00-3:30pm

Sydney



Who are we?

- The AER works to make all Australian energy consumers better off by:
 - regulating electricity networks and covered gas pipelines, in all jurisdictions except WA
 - enforcing the laws for the NEM and spot gas markets in southern and eastern Australia
 - protecting the interests of household and small business consumers by enforcing the national energy retail law

About this process

- Our determination for Directlink:
 - Will set the revenue it can recover from customers for the provision of electricity network services
 - Will approve a pricing methodology, which prescribes how that revenue recovered.
 - Directlink's revenue is recovered from NSW customers through TransGrid.

What we want to hear from you

- The Issues paper highlights key areas of focus for us within the proposal:
 - Do you agree?
 - Have we missed anything?
- Directlink's proposed consumer engagement.
 - Is this engagement sufficient and is it appropriately targeted ?
 - Are Directlink's early takeaways from its initial engagement correct, or are there other important matters that it needs to be considering?

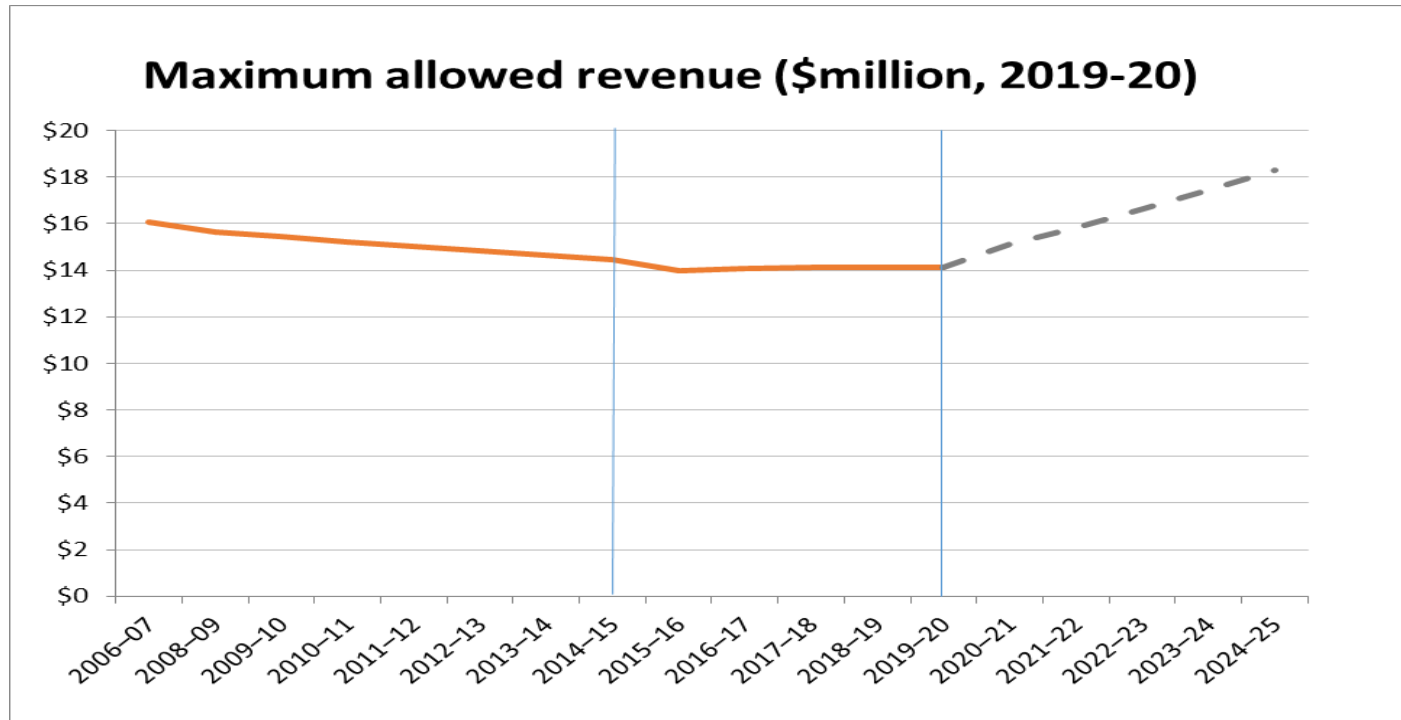
What would this proposal mean for customers?

Indicative price impact for customers in NSW (\$nominal):

- \$1 increase per customer over the period 2020—2025; or
 - \$0.20 per customer per year
- in the transmission component of the average residential electricity bill.

Initial impressions of the proposal

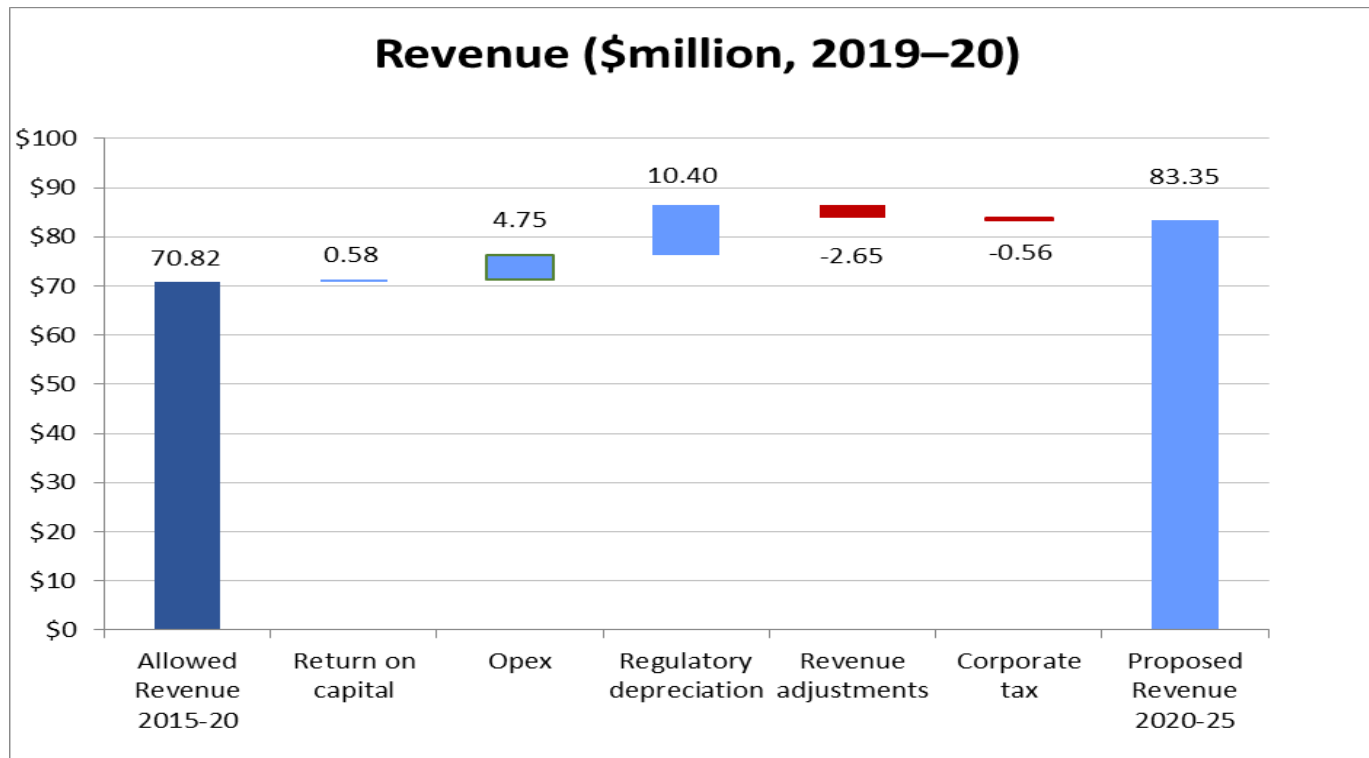
Directlink's revenue over time (\$m, 2019-20)



Source: AER analysis [Issues paper p. 10]

What seems to be changing?

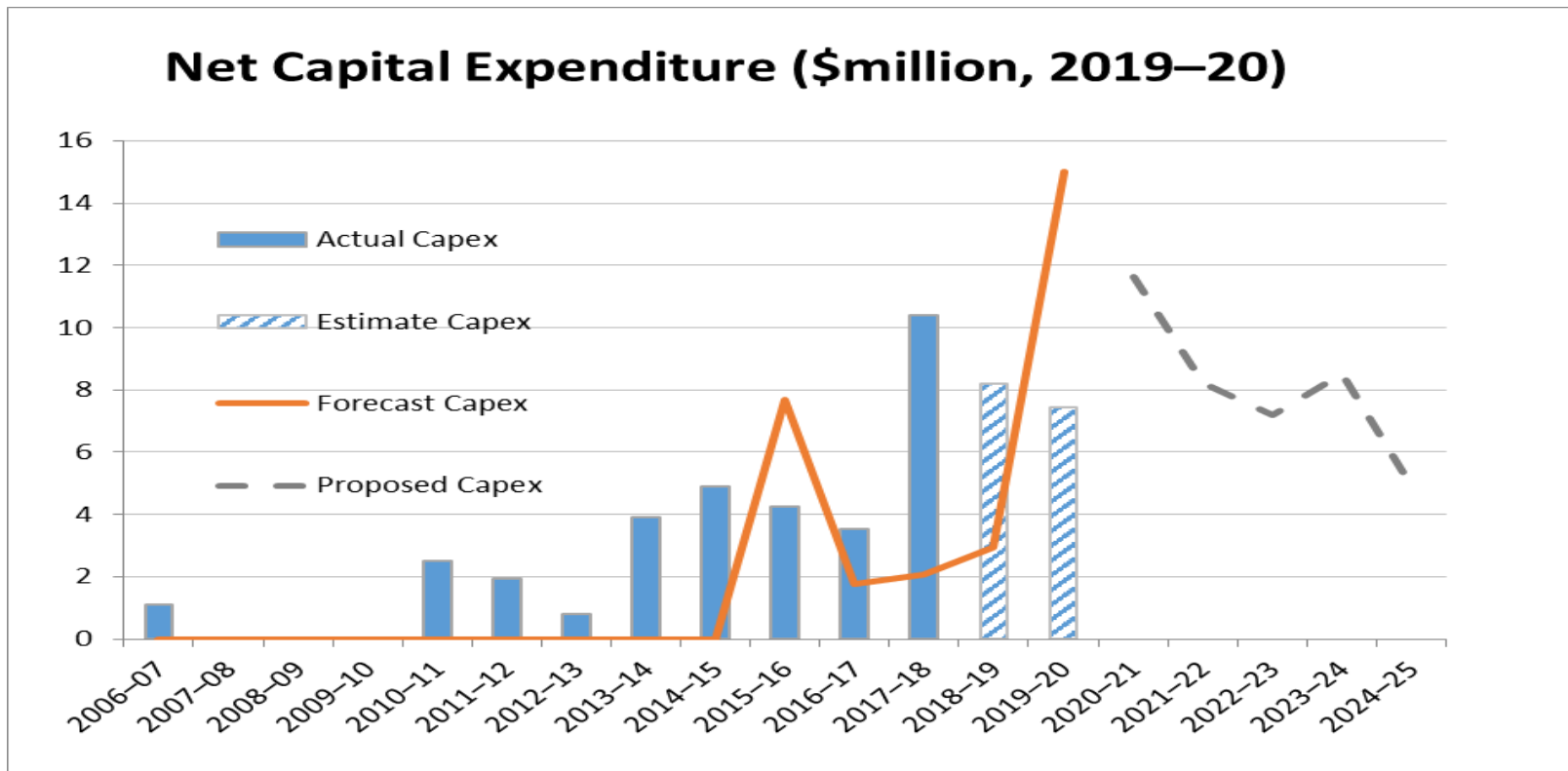
Change in revenue 2014-19 to 2020-25 (\$2019-20)



Source: AER analysis [Issues paper page 16]

Capex

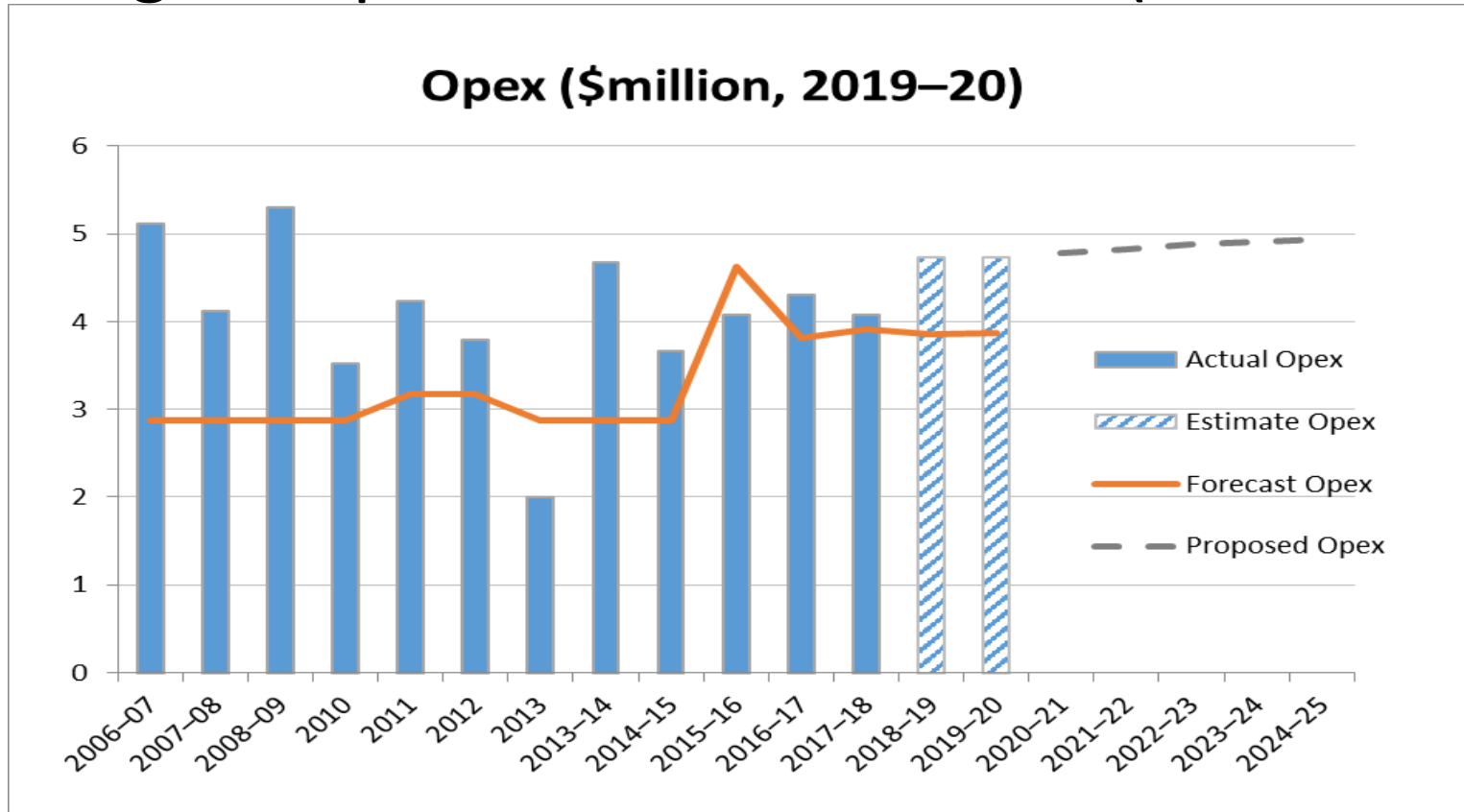
Change in capex 2014-19 to 2020-25 (\$2019-2020)



Source: AER analysis [Issues paper page 17]

Opex

Change in opex 2005-6 to 2020-25 (\$2019/20)



Source: AER analysis [Issues paper page 23]

What happens next

Milestone	Date
<i>Directlink submitted its proposal</i>	31 January 2019
<i>AER issues paper published</i>	28 March 2019
Public forum on Directlink's proposal	9 April 2019
Submissions on AER's issues paper and Directlink's proposal due	16 May 2019
AER draft decision is published	September 2019
Public forum on draft decision	October 2019
Directlink submits revised proposal	December 2019
Submissions on draft decision and revised proposal due	January 2020
AER final decision to be published	April 2020

How you can get involved

- Written submissions 16 May 2019
- Subscribe to our website for updates:
<https://www.aer.gov.au/newsletter/subscribe>
- Contact us:
Directlink2020@aer.com.au