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Mr Warwick Anderson
General Manager Network Regulation
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Via email: AERInquiry@aer.gov.au

Dear Warwick

re: ElectraNet Response to Murraylink Revenue Proposal

ElectraNet welcomes the opportunity to respond to the Australian Energy Regulator's consultation on the Murraylink Revenue Proposal (the proposal).

This submission focuses upon one specific issue raised in the Proposal and does not seek to comment on the merit of other aspects of the Proposal.

We note that Murraylink has *"identified a sequence of projects with the potential to increase the capability of interconnection to South Australian and provide support to the Victorian, NSW and South Australian regional transmission networks"* and proposes that these projects be allowed under the contingent project framework.

In the first instance ElectraNet seeks to clarify the scope of the contingent project proposal and the relationship between this proposal and the current RIT-T process being conducted by ElectraNet and the Australian Energy Market Operator (AEMO) for the augmentation of the Heywood interconnector.

The current RIT-T being conducted by ElectraNet and AEMO largely relates to the assessment of options for an incremental increase of capacity on the Heywood interconnector at relatively modest cost. This follows an earlier feasibility study process in which a wider range of interconnector options was considered of the nature and scale of that proposed by Murraylink. These high capacity options were found unlikely to be economic in the near future. However, it is plausible that a higher capacity interconnector could be economically justified toward the end of the proposed 10 year regulatory control period.

ElectraNet supports the inclusion of the contingent project proposed by Murraylink on the basis that it would be subject to a future RIT-T assessment and also a contingent project assessment by the AER.

Secondly ElectraNet supports the use of the successful completion of the RIT-T as an appropriate trigger event for commencement of the contingent project process.

Should you wish to discuss any aspect of this submission, please contact Simon Appleby via email on appleby.simon@electranet.com.au or on (08) 8404 7324.

Yours sincerely



Rainer Korte
Executive Manager Network Strategy and Regulatory Affairs