Murraylink Transmission Company Pty Ltd

Murraylink RIN Methodlogy

Effective
July 2018 to June 2023

January 2017

20170113 Murraylink Revenue Proposal

Contents

Murraylink Transmission Company Pty Ltd

Revenue Proposal

1 Methodology for completion of the RIN

1.1 Identified errors in AER RIN Template

Sheet 2.3c cells L16:P16 – cell protected – Murraylink would enter 4,148,613 12,228,864   9,511,338 1,358,763 0

Sheet 7.1 cell D39 – value locked to blank. Murraylink would enter "The Cost allocation methodology determines the basis for cost allocation across EII and therefore affects historic capital expenditure and operating expenditure"

Sheet 7.5 cell V46 – base year locked to 2016/17. Murraylink used 2015/16 as its operating base year. The justification for this is set out in the revenue submission document at section 8.6.1.

1.2 Table 2.1.1

Historic capital expenditure as per regulatory accounts previously supplied to the AER

Forecast capital expenditure as per Identified projects and formula contained in attachment 4.1 capital expenditure model

1.3 Table 2.3c.1

Material projects identified as per the AER's RIN definitions. Description, costing and timing as per the revenue proposal submission and attachment 4.1 capital expenditure model

1.4 Table 2.3c.2

Material projects identified as per the AER's RIN definitions. Description, costing and timing as per the revenue proposal submission and attachment 4.1 capital expenditure model

1.5 Table 2.6.1

Historic capital expenditure as per regulatory accounts previously supplied to the AER.

Murraylink has identified historic non-network operating expenditure associated with a legal entity that was not previously identified as having had historic operating expenditure. These costs are now included in RIN table 2.6.1. It is this expenditure associated with Murraylink Transmission

Company Pty Ltd that is the difference between this RIN and regulatory account information previously provided to the AER.

Forecast operating expenditure as per methodology and calculations outlined in attachment 8.1 Forecast Operating expenditure. Division into categories based on based year (2015/16) proportions of expenditure in those categories.

1.6 Table 2.14.1

Only CPI forecast. The methodology adopted for this is outlined in revenue proposal submission section 6.6

1.7 Table 2.16.1

The assumptions behind and methods used are outlines in Revenue Submission Chapter 8 – Forecast Operating Expenditure. The formulas used are set out in attachment 8.1 forecast operating expenditure model

1.8 Tables 2.17.1, Table 2.17.2 and Table 2.17.3

The assumptions behind this and methods used are outlines in Revenue Submission Chapter 8 – Forecast Operating Expenditure. The formulas used are set out in attachment 8.1 forecast operating expenditure model

1.9 Table 3.2.3

Murraylink has no provisions

1.10 Table 7.1

No assumptions, calculations or estimates are contained in this table

1.11 Table 7.2.1

Reflecting the early nature of these estimates they are high level estimates based on previous experience with projects of a similar nature. These are not detailed cost buildups

1.12 Table 7.3.1

No assumptions, calculations or estimates are contained in this table

1.13 Table 7.4.1 and Table 7.4.2

Murraylink has no shared assets

1.14 Table 7.5.1

All data is from Murraylink regulatory accounts

1.15 Table 7.5.2

All information is consistent with the previous calculation of the EBSS and the formulas are contained in attachment 8.1 forecast operating expenditure model. Murraylink only has data from the commencement of the EBSS scheme consistent with the EBSS calculation.

1.16 Table 7.9.1

Historic performance calculated from analysis of historic outage data. Proposed Targets based on historic average for each category. Proposed Cap and Collar values based on one standard deviation either side of the historic average for each category.

1.17 Table 7.9.4

All information is contained in STPIS data previously provided to the AER. Murraylink does not have access to records predating July 2013.