2023-27
POWERLINK QUEENSLAND REVENUE PROPOSAL

Appendix 1.04 - PUBLIC

RIN Compliance Checklist

Powerlink 2023-27 Revenue Proposal: Reset Regulatory Information Notice (RIN) Compliance Checklist

Consistent with clause 1.5(c) of Powerlink's Reset RIN, the following table outlines how Powerlink has assured compliance with the RIN issued by the AER, with respect to our Revenue Proposal, dated 14 October 2020.

CLAUSE	PROVISION	REFERENCE
General requirements		
1 Provide information		
1.1	Provide the information required in each regulatory template in the Microsoft Excel Workbook 1 – Forecast, Workbook 2 – MIC, Workbook 5 – CESS, Workbook 6 – EBSS, Workbook 7– Indicative Bill Impact and Workbook 8 – Capex Historical attached at Appendix A completed in accordance with: (a) this notice; (b) the instructions in the relevant Microsoft Excel Workbooks attached at Appendix A; (c) the instructions in Appendix E; and (d) Powerlink's approved cost allocation methodology.	Powerlink has assured compliance with items (a) to (d) through: • the completion of this compliance checklist; • the provision of relevant assurance reports; • the completion of the regulatory templates which have been the subject of management review and the issue of a statutory declaration by an officer of the corporation; and • the provision of the approved Cost Allocation Methodology as part of our Revenue Proposal."
1.2	If: (a) Powerlink's cost allocation methodology has changed during the current regulatory control period, or (b) Powerlink proposes to change its cost allocation methodology for the forthcoming regulatory control period; such that there would be material changes to information previously submitted to the AER, Powerlink must revise any historical information previously submitted to the AER under either the annual Category Analysis or the Economic Benchmarking RIN.	Refer to the Basis of Preparation supporting document included as part of our Revenue Proposal.
1.3	Powerlink must report information revised in accordance with paragraph 1.2 (Revised Information) in the following manner: (a) Use Workbook 3 – Recast category analysis and Workbook 4 – Recast economic benchmarking attached at Appendix A to submit the information to the AER. (b) Report all Revised Information in the relevant table in the regulatory templates. (c) Where Revised Information in one table causes a change to information in another table, regardless of whether that other change is a material change, report that change in the relevant table. (d) When reporting any change in any table in a regulatory template, include within that table all information that remains unchanged from that previously reported to the AER.	As above.

1.4	Forecast information provided under this notice must: (a) be consistent with the forecast information provided in Powerlink's revenue proposal; (b) meet any relevant NEL or NER requirements.	Powerlink confirms the Reset RIN Return is consistent with our Revenue Proposal and meets relevant NEL or NER requirements.
1.5	For all information, other than forecast information, provide in accordance with this notice and the instructions in Appendix E, a basis of preparation demonstrating Powerlink has complied with this notice, in respect of: (a) the information in each regulatory template in the Microsoft Excel Workbooks attached at Appendix A; and (b) the information prepared in accordance with the following requirements in Schedule 1 of this notice: (i) paragraph 1.2 (ii) paragraph 4.1(a)(ii)	Refer to the Basis of Preparation supporting document included as part of our Revenue Proposal.
1.6	Provide material used for the purposes of preparing the revenue proposal: (a) all consultants' reports commissioned and relied upon in whole or in part; (b) all material assumptions relied upon; (c) a table that references each response to a paragraph in this Schedule 1 and where it is provided in or as part of the revenue proposal, proposed pricing methodology or negotiating framework; (d) a table that references each document provided in or as part of the revenue proposal, proposed pricing methodology or negotiating framework and its relationship to other documents provided; and (e) "each document identified in paragraph 1.6(d) must be given a meaningful filename in the form: Powerlink – [Author] – [Title] – [Date] – [Public/Confidential], where:" (i) Author is the author of the file if not Powerlink, for example a consultant or other third party; (ii) Title provides a meaningful description of the content of document, with limited reliance on acronyms or cross references, for example "Appendix 1A" is not meaningful, but "Appendix 1A – Cost allocation method" is; (iii) Date is a relevant date associated with the file, generally the date the document was created; and (iv) Public/Confidential identifies if the file in its entirety can be published (public); or if it contains any information which is the subject of a claim for confidentiality in accordance with paragraph 25 of this notice (confidential).	(a) Consultants' reports are provided as appendices and are listed on the final pages of the Revenue Proposal. (b) Refer to Chapter 5 Forecast Capital Expenditure, Chapter 6 Forecast Operating Expenditure and Chapter 7 Escalation Rates and Project Cost Estimation and of our Revenue Proposal. Refer also to our NER Compliance Checklist. (c) This document provides the required information. (d) Refer to Appendix 1.05 Document Register. (e) The file names of all documents provided have been labelled in accordance with these requirements. This covers requirements (e)(i) to (iv).

1.7	Provide for each material assumption identified in the response to paragraph 1.6(b): (a) its source or basis; (b) if applicable, its quantum; (c) whether, and how, the assumption has been applied and was taken into account; and (d) the effect or impact of the assumption on the capital and operating expenditure forecasts in the forthcoming regulatory control period taking into account: (i) the actual expenditure incurred during the current regulatory control period; and (ii) the sensitivity of the forecast expenditure to the assumption.	Refer to Chapter 5 Forecast Capital Expenditure, Chapter 6 Forecast Operating Expenditure and Chapter 7 Escalation Rates and Project Cost Estimation of our Revenue Proposal. Refer also to our NER Compliance Checklist.
1.8	Provide reconciliation of the capital and operating expenditure forecasts provided in the regulatory templates to the proposed capital and operating allowances in the post-tax revenue model for the forthcoming regulatory control period.	The expenditure forecasts in the regulatory templates reconcile to the ex-ante capital and operating expenditure allowances in the Post-Tax Revenue Model (PTRM) lodged with the Revenue Proposal.
1.9	Where the revenue proposal varies or departs from the application of any component or parameter of the efficiency benefit sharing scheme, capital expenditure sharing scheme or service target performance incentive scheme, for each variation or departure explain: (a) the reasons for the variation or departure, including why the departure is appropriate; (b) how the variation or departure aligns with the objectives contained in the relevant scheme; and (c) how the proposed variation or departure will impact the operation of the relevant scheme.	No variations or departures have been proposed for the capital expenditure sharing scheme (CESS), efficiency benefit sharing scheme (EBSS) or service target performance incentive scheme (STPIS).

2. Services provided by Powerlink

2	(a) the name and a brief description of each category of prescribed transmission service provided by Powerlink that is the subject of the revenue proposal; (b) a brief description of the required quality, reliability and security of supply of each category of prescribed transmission service provided by Powerlink; and (c) a brief description of the required reliability, safety and security of the transmission system provided by Powerlink in the supply of prescribed transmission services.	Refer to Section 1.2 Our Services of the Revenue Proposal. Refer also to Appendix 16.01 Proposed Pricing Methodology for further information.

Expenditure reporting

3. Capital expenditure

General

3.1	Provide justification for Powerlink's total forecast capex, including: (a) why the total forecast capex is required for Powerlink to achieve each of the objectives in clause 6A.6.7(a) of the NER; (b) how Powerlink's total forecast capex reasonably reflects each of the criteria in clause 6A.6.7(c) of the NER; (c) how Powerlink's total forecast capex accounts for the factors in clause 6A.6.7(e) of the NER; (d) an explanation of how the plans, policies, procedures and regulatory obligations or requirements identified in regulatory templates 7.1 and 7.3 in Workbook 1 – Forecast, consultants reports, and assumptions identified in paragraph 1.6 have been used to develop forecast capex; and (e) an explanation of how each response provided to paragraph 3.1(a) to (d) above is reflected in any increase or decrease in expenditures or volumes, particularly between the current and forthcoming regulatory control periods, provided in regulatory templates 2.1 to 2.10 in Workbook 1 – Forecast.	For items (a) to (c) refer to Section 5.2.1 Capital Expenditure Objectives of our Revenue Proposal and Appendix 5.01 Operating and Capital Expenditure Criteria and Factors. For item (d) refer to refer to our Reset RIN Return Workbook 1, Templates 7.1 and 7.3 and Section 5.5 Capital Expenditure Forecasting Methodology of our Revenue Proposal. For item (e) refer to Sections 4.4 and 5.6 of our Revenue Proposal and Appendix 5.01 Operating and Capital Expenditure Criteria and Factors.
3.2	Provide the model(s) and methodology Powerlink used to develop its total forecast capex, including: (a) a description of how Powerlink prepared the forecast capex, including: (i) how its preparation differed or related to budgetary, planning and governance processes used in the normal operation of Powerlink's business; (ii) the processes for ensuring amounts are free of error and other quality assurance steps; and (iii) if and how Powerlink considered the resulting amounts, when translated into price impacts, were in the long term interest of consumers; (b) any source material used (including models, documentation or any other items containing quantitative data); and (c) all calculations that demonstrate how data from the source material has been manipulated or transformed to generate data provided in the regulatory templates in Workbook 1 – Forecast.	For item (a)(i) to (ii) refer to: • Appendix 5.03 Expenditure Forecasting Methodology; • Appendix 5.04 Non Load-Driven Network Capex Forecasting Methodology; • The Checks Tab in the Capex Model lodged with our Revenue Proposal. • Refer to Appendix 1.01 Board Certification of Key Inputs and Assumptions and Appendix 1.02 Statutory Declaration on Powerlink's Reset RIN Return. For item (a)(iii) refer to Section 3.8 How Feedback Influenced our Decision-Making and 5.4.2 Forecast Capital Expenditure Overview of our Revenue Proposal. For items (b) and (c), the relevant capital expenditure forecasting models and documentation are provided as supporting documents.

3.3	Identify which items of Powerlink's forecast capex are: (a) derived directly from competitive tender processes; (b) based upon competitive tender processes for similar projects; (c) based upon estimates obtained from contractors or manufacturers; (d) based upon independent benchmarks; (e) based upon actual historical costs for similar projects; and (f) reflective of any amounts for risk, uncertainty or other unspecified contingency factors, and if so, how these amounts were calculated and deemed reasonable.	For items (a) to (f) refer to: • **For network capital expenditure:** Section 7.5 Repex Model Unit Rates and 7.6 Cost Estimates of our Revenue Proposal and Appendix 7.03 Cost Estimating Methodology. • **For non-network capital expenditure:** Section 5.6 Forecasts by Category and Appendix 5.05 IT Plan 2023-27 and supporting documents for Facilities and Fleet.
3.4	Provide all documents which were materially relied upon and relate to the deliverability of forecast capex and explain the proposed deliverability.	Refer to Section 5.9 Deliverability of Future Expenditure of our Revenue Proposal.

Capex Categories

3.5	Describe each capex category and expenditures comprising these categories identified in the regulatory templates, including: (a) key drivers for expenditure; (b) an explanation of how expenditure is distinguished between: (i) connections capital expenditure and augmentation capital expenditure; (ii) replacement capital expenditure driven by condition and asset replacements driven by other drivers (e.g. the need for demand or non-demand driven augmentation capital expenditure); and (iii) any other capex category or opex category where Powerlink considers that there is reasonable scope for ambiguity in categorisation.	Refer to Section 5.5.1 Key Drivers of our Capital Expenditure Forecast and 5.3 Capital Expenditure Categories of our Revenue Proposal.

4. Replacement capital expenditure modelling

4.1	In relation to information provided in Workbook 1 – Forecast, regulatory template 2.2 with respect to the AER's repex model, provide: (a) For individual asset categories set out in the regulatory templates, provide in a separate document: (i) a description of the asset category, including: (A) the assets included and any boundary issues (i.e. with other asset categories); (B) an explanation of how these matters have been accounted for in determining quantities in the age profile; (C) an explanation of the main drivers for replacement (e.g. condition, etc.); and	For all items, refer to: • Section 4.4 Historical Capital Expenditure and Section 5.6 Forecasts by Category of our Revenue Proposal; • Appendix 5.04 Non Load-Driven Network Capex Forecasting Methodology; and • Our Asset Management Plan Volume 3 (Area Plans), provided as a supporting document.

(D) an explanation of whether the replacement unit cost provides for a complete replacement of the asset, or some other activity, including an extension of the asset's life and whether the costs of this extension or other activity are capitalised or not.

(ii) an estimate of the proportion of assets replaced for each year of the current regulatory period, due to:

(A) aging of existing assets (e.g. condition, obsolesce, etc.) that should be largely captured by this form of replacement modelling;

(B) replacements due to other factors (and a description of those factors);

(C) additional assets due to the augmentation, extension, development of the network; and

(D) additional assets due to other factors (and a description of those factors).

(b) For the previous, current and forecast regulatory control periods, explain the drivers or factors that have affected changing network replacement capital expenditure requirements. Identify and quantify the relative effect of individual matters within the following categories:

(i) rules, codes, licence conditions, statutory requirements;

(ii) internal planning and asset management approaches;

(iii) measurable asset factors that affect the need for expenditure in this category (e.g. age profiles, risk profiles, condition trend, etc.). Identify and quantify individual factors;

(iv) the external factors that can be forecast and the outcome measured (e.g. demand growth, customer numbers) that affect the need for expenditure in this category. Identify and quantify individual factors, covering the forecasts and the outcome (external factors required to be discussed here do not relate to changing obligations which are covered in paragraphs 8.7 and 8.8);

(v) technology/solutions to address needs, covering:

(A) network; and

(B) non-network;

(vi) any other significant matters.

(c) Identify and provide information or documentation to justify and support any responses to paragraph 4.1(b)(i)-(vi).

The information provided in response to paragraph 4.1(b) above, should at least distinguish between the asset categories defined in response to paragraph 4.1(a).

5. Non-Network alternatives

5.1	Identify the policies and strategies and procedures provided in the response to Workbook 1 – Forecast, regulatory template 7.1 which relate to the selection of efficient non-network solutions.	Refer to Appendix 5.02 2020 Transmission Annual Planning Report section 1.10.2 and https://www.powerlink.com.au/non-network-solutions.
5.2	Explain the extent to which the provision for efficient non-network alternatives has been considered in the development of the forecast capex proposal and the forecast opex proposal.	Refer to Section 5.8 Network Support and Section 6.7.3 Network Support of our Revenue Proposal.
5.3	Identify each non-network alternative that Powerlink has: (a) commenced during the current regulatory control period; and (b) selected to commence during, or will continue into, the forthcoming regulatory control period.	For (a), refer to Section 4.5.2 Performance Against Allowance of our Revenue Proposal. For (b), refer to Section 5.8 Network Support and 6.7.3 Network Support of our Revenue Proposal.
5.4	For each non-network alternative identified in the response to paragraph 5.3, provide a description, including cost and location.	Refer to Section 4.5.2 Performance Against Allowance, Section 5.8 Network Support and Section 6.7.3 Network Support of our Revenue Proposal.

6. Forecast price changes

6.1	Provide, in Workbook 1 – Forecast, regulatory template 2.14, the price changes assumed by Powerlink in estimating Powerlink's forecast capex proposal and the forecast opex proposal. All price changes must be expressed in percentage year on year real terms.	Refer to the Reset RIN Return, Workbook 1, Template 2.14.
6.2	Provide: (a) the model(s) used to derive and apply the materials price changes, including model(s) developed by a third party; (b) in relation to labour escalators, a copy of the current Enterprise Bargaining Agreement or equivalent agreement; and (c) documents supporting or relied upon that explain the change in the price of goods and services purchased by Powerlink, including evidence that any materials price forecasting method explains the price of materials previously purchased by Powerlink.	For items (a) and (c), refer to: • The Reset RIN Return, Workbook 1, Table 2.14.2; • Chapter 7 Escalation Rates and Cost Estimation of the Revenue Proposal; and • Appendix 7.01 BISOE – Labour Cost Escalation Forecasts to FY2027 Report of the Revenue Proposal. For item (b), refer to the Working at Powerlink Agreements and Manager's Agreements provided as supporting documents to the Reset RIN Return.
6.3	Provide also an explanation of : (a) the methodology underlying the calculation of each price change, including: (i) sources; (ii) data conversions; (iii) the operation of any model(s) provided under paragraph 6.2(a); and (iv) the use of any assumptions such as lags or productivity gains; (b) whether the same price changes have been used in developing both the forecast capex proposal and forecast opex proposal; and	For items (a) to (c), refer to: • The Reset RIN Return, Workbook 1, Table 2.14.2; • Chapter 7 Escalation Rates and Cost Estimation of the Revenue Proposal; and • Appendix 7.01 BISOE - Labour Cost Escalation Forecasts to FY2027 Report of the Revenue Proposal.

	(c) if the response to paragraph 6.3(b) is negative, why it is appropriate for different expenditure escalators to apply.	
6.4	If an agreement provided in response to paragraph 6.2(b) is due to expire during the forthcoming regulatory control period, explain the progress and outcomes of any negotiations to date to review and replace the current agreement.	Not applicable.

7. Operating and maintenance expenditure

Total forecast operating and maintenance expenditure (opex)

7.1	Provide: (a) the model(s) and the methodology Powerlink used to develop total forecast opex; (b) justification for Powerlink's total forecast opex proposal, including: (i) why the proposed total forecast opex is required for Powerlink to achieve each of the objectives in clause 6A.6.6(a) of the NER; (ii) how Powerlink's proposed total forecast opex reasonably reflects each of the criteria in clause 6A.6.6(c) of the NER; and (iii) how Powerlink's proposed total forecast opex accounts for the factors in clause 6A.6.6(e) of the NER.	For items (a) and (b), refer to: • Section 6.2.1 Operating Expenditure Objectives and Section 6.5 Operating Expenditure Forecasting Methodology of the Revenue Proposal; • Appendix 5.01 Operating and Capital Expenditure Criteria and Factors; • Appendix 6.01 Forecast Operating Expenditure Methodology and Model; and • Powerlink's Opex Model lodged as part of the Revenue Proposal.
7.2	Provide: (a) the quantum of non-recurrent costs for each year of the forthcoming regulatory control period; and (b) an explanation of each non-recurrent cost.	No non-recurrent operating expenditure programs have been identified as part of our Revenue Proposal.
7.3	If Powerlink used a revealed cost base year approach to develop its total forecast opex proposal, provide: (a) in Microsoft Excel format, reconciliation (including all calculations and formulae) of Powerlink's forecast total opex proposal to forecast prescribed transmission services opex by opex driver in Workbook 1 – Forecast, regulatory template 2.16, table 2.16.1; (b) the base year Powerlink used; and (c) explanation and justification for why that base year represents efficient and recurrent costs.	For item (a), refer to the Reset RIN Return Workbook 1 and the Opex Model lodged as part of the Revenue Proposal. For items (b) and (c), 2018/19 was selected as the base year. Refer to: • Section 6.6.1 Efficient Base Year of the Revenue Proposal; and • Appendix 4.01 HoustonKemp – Efficiency of Powerlink's Base Year Operating Expenditure Report.

7.4	If Powerlink does not use the revealed costs base year approach to forecasting opex, provide: (a) forecast expenditure by opex category in Workbook 1 – Forecast, regulatory template 2.16, table 2.16.2 for prescribed transmission services opex; and (b) in Microsoft Excel format, reconciliation (including all calculations and formulae) of Powerlink's forecast total opex proposal to forecast prescribed transmission services opex by opex category in Workbook 1 – Forecast, regulatory template 2.16, table 2.16.2; (c) explanation of major drivers for the increases and decreases in expenditure by opex category in the forthcoming regulatory control period compared to actual historical expenditure; (d) explanation and justification for: (i) why Powerlink considers no year of historic opex represents efficient and recurrent costs.	Not applicable.

Real price changes

7.5	Provide the amount of total forecast opex attributable to changes in the price of labour and materials in Workbook 1 – Forecast, regulatory template 2.16, table 2.16.1 for prescribed transmission services opex.	Refer to the Reset RIN Return, Workbook 1, Table 2.16.1. Refer also to: • Chapter 7 Escalation Rates and Project Cost Estimation and Section 6.6.2 Rate of Change of the Revenue Proposal; and • The Opex Model lodged with the Revenue Proposal.
7.6	Provide an explanation of: (a) how, in developing the amount of total forecast opex attributable to changes in the price of labour and materials, Powerlink applied the real price measures in paragraph 7.5; and (b) whether Powerlink's labour price measure compensates for any form of labour productivity change.	For item (a), refer to Section 6.5 Operating Expenditure Forecasting Methodology of the Revenue Proposal and Appendix 6.01 Forecast Operating Expenditure Methodology and Model. For item (b), refer to Appendix 6.01 Forecast Operating Expenditure Methodology and Model.

Output growth change

7.7	Provide the amount of total forecast opex attributable to changes in output growth in Workbook 1 – Forecast, table 2.16.1 for prescribed transmission services opex.	Refer to the Reset RIN Return, Workbook 1, Table 2.16.1. Refer also to Powerlink's Opex Model lodged with the Revenue Proposal.
7.8	Provide an explanation of: (a) how, in developing the amount of total forecast opex attributable to changes in output growth, Powerlink applied the output growth change measure in paragraph 7.7; and (b) whether Powerlink's output growth change measure compensates for any form of productivity change or forecast price change.	For items (a) and (b), refer to: • Section 6.4 Forecast Operating Expenditure Overview and Section 6.6.1 Rate of the Revenue Proposal; and • Appendix 6.01 Forecast Operating Expenditure Methodology and Model.

Productivity change

7.9	Provide the amount of total forecast opex attributable to changes in productivity in Workbook 1 – Forecast, table 2.16.1 for prescribed transmission services opex;	Refer to Reset RIN Return, Workbook 1, Table 2.16.1.
7.10	Provide, in percentage year on year terms, the productivity measure that Powerlink used to develop the amount of total forecast opex attributable to changes in productivity;	Refer to Powerlink's Opex Model lodged with the Revenue Proposal and Section 6.6.2 Rate of Change of the Revenue Proposal.
7.11	Provide an explanation of: (a) how, in developing the amount of total forecast opex attributable to changes in productivity, Powerlink applied the productivity measure in paragraph 7.10; (b) whether Powerlink's forecast productivity changes capture the historic trend of cost increases due to changes in regulatory obligations or requirements and industry best practice; and (c) whether Powerlink's productivity measure includes productivity change compensated for by the labour price measure used by Powerlink to forecast the change in the price of labour.	For items (a) to (c), refer to: • Section 6.5 Operating Expenditure Forecasting Methodology and 6.6.2 Rate of Change of the Revenue Proposal; and • Appendix 6.01 Forecast Operating Expenditure Methodology and Model.

8. Step changes

8.1	Provide the amount of total forecast opex attributable to opex step changes for in Workbook 1 – Forecast, regulatory template 2.17, table 2.17.1;	Not applicable. No step changes have been proposed in forecast operating or capital expenditure.
8.2	Provide an explanation of why Powerlink considers: (a) the efficient costs of the step change are not provided by other components of Powerlink's total forecast opex such as base opex, output growth changes, real price changes or productivity change; (b) the total forecast opex will not allow Powerlink to achieve the objectives in clause 6A.6.6(a) of the NER unless the step change is included; and (c) the total forecast opex will not reasonably reflect the criteria in clause 6A.6.6(c) of the NER unless the step change is included.	As above.
8.3	For all step changes in forecast expenditure provide: (a) In Workbook 1 – Forecast, regulatory template 2.17, the amount of the step change: (i) forecast in each year of the forthcoming regulatory control period; and, (ii) expected to be incurred in the current regulatory control period; (b) a description of the step change.	As above.

8.4	For each step change listed in response to paragraph 8.3 provide an explanation of: (a) when the change occurred, or is expected to occur; (b) what the driver of the step change is; (c) how the driver has changed or will change (for example, revised legislation may lead to a change in a regulatory obligation or requirement); and (d) whether the step change is recurrent in nature.	As above
8.5	For each step change listed in response to paragraph 8.3 provide justification for when, and how, the step change affected, or is expected to affect: (a) the relevant opex category; (b) the relevant capex category; (c) total opex; and (d) total capex.	As above.
8.6	For each step change listed in response to paragraph 8.3 provide the process undertaken by Powerlink to identify and quantify the step change; provide cost benefit analysis that demonstrates Powerlink proposes to address the step change in a prudent and efficient manner, including: (a) the timing of the step change; and (b) if Powerlink considered a 'do nothing' option, evidence of how Powerlink assessed the risks of this option compared with other options.	As above.
8.7	For each step change listed in response to paragraph 8.3 where the step change is due to a change in a regulatory obligation or requirement, provide: (a) relevant variations or exemptions granted to Powerlink during the previous regulatory control period or the current regulatory control period; (b) relevant compliance audits Powerlink conducted during the previous regulatory control period or the current regulatory control period.	As above.
8.8	For each step change listed in response to paragraph 8.7 provide, with reference to specific clauses of the relevant legislative instrument(s), the: (a) previous regulatory obligation or requirement; and (b) changed regulatory obligation or requirement that is driving the step change.	As above.

Category specific opex		
8.9	Provide the amount of total forecast opex attributable to category specific opex in Workbook 1 – Forecast, regulatory template 2.17, table 2.17.5. The amount of total opex attributable to category specific opex must align with the category specific opex reported in table 2.16.1. Powerlink is only required to report category specific opex in table 2.17.5 for the years commencing in the base year selected in table 2.16.1 to the final year of the forthcoming regulatory control period (2026-27).	Refer to Reset RIN Return, Workbook 1, Table 2.17.5 and 2.16.1. Refer also to Section 6.7 Forecast Non-controllable Other Operating Expenditure and Powerlink's Opex Model lodged with the Revenue Proposal.
Economic benchmarking reporting		
9. Economic benchmarking		
9.1	Complete the Workbook 1 – Forecast, regulatory templates 3.1 to 3.7 in accordance with: (a) the 'Economic Benchmarking RIN for transmission network service providers – Instructions and Definitions' issued to Powerlink on 28 November 2013, chapters 2 to 9; (b) paragraphs 9.2 to 9.9.	Powerlink has completed regulatory templates 3.1 to 3.7 consistent with the requirements in Clause 9 of the Reset RIN.
9.2	The forecast revenue groupings in Workbook 1 – Forecast, regulatory templates, table 3.1.1 may be developed by trending forward actual historical revenue groupings in previous regulatory years. However: (a) total revenues must equal total forecast revenues as proposed by Powerlink in its revenue proposal.	As above.
9.3	The definition of a tree must be applied when completing the variable "Average number of trees per vegetation maintenance span" (TEF0103) (Workbook 1 – Forecast, regulatory template 3.7).	As above.
9.4	Powerlink must report the km of route line length that does not have standard vehicle access against the "Standard vehicle access" variable (TEF0106) (Workbook 1 – Forecast, regulatory template 3.7).	As above.
9.5	Powerlink must report the route line length of its network 600 meters or more above sea level against the "Altitude" variable (TEF0107) (Workbook 1 – Forecast, regulatory template 3.7).	As above.
9.6	The length of a span that shares multiple voltage levels is only to be counted once for the purposes of calculating the "Route line length" variable (TEF0201) (Workbook 1 – Forecast, regulatory template 3.7).	As above.
9.7	For the "Route line length" variable (TEF0201) where there are multiple circuits on a span, the length of each span is considered only once (Workbook 1 – Forecast, regulatory template 3.7).	As above.

9.8	All forecast variables in the Workbook 1 – Forecast, regulatory templates 3.1 to 3.7 must align with those in Powerlink' revenue proposal. For the avoidance of doubt this includes forecast: (a) opex and capex; (b) revenues; (c) quality of services variables; and (d) energy delivery and quantities of physical assets.	All forecasts in regulatory templates reconcile with Powerlink's Revenue Proposal.
9.9	RAB asset financial data in the Workbook 1 – Forecast, regulatory template, 3.3 Assets (RAB) must reconcile to that in Powerlink's revenue proposal post-tax revenue model (PTRM) and roll forward model (RFM).	RAB asset financial data in the regulatory template reconciles with the PTRM and RFM lodged with our Revenue Proposal.

Network information reporting

10. Demand forecasts

10.1	Provide and describe the methodology used to prepare the maximum demand forecasts.	Refer to the supporting document Powerlink Maximum Demand Forecasting Methodology lodged with our Revenue Proposal.
10.2	Provide: (a) the model(s) Powerlink used to forecast maximum demand; (b) where Powerlink's approach to weather correction has changed, provide historically consistent weather corrected maximum demand data, per the format in Workbook 1 – Forecast, regulatory templates 3.4, and 5.4 using Powerlink's current approach. If this data is unavailable, explain why; and (c) any supporting information or calculations that illustrate how information extracted from Powerlink's forecasting model(s) reconciles to, and explains any differences from, information provided in Workbook 1 – Forecast, regulatory templates 3.4 and 5.4.	As above.
10.3	For each of the methodologies provided and described in response to paragraph 10.1, and, where relevant, data requested under paragraph 10.2(b) and 10.2(c), explain or provide (as appropriate): (a) the models used; (b) a global (or top-down) and spatial (bottom-up) forecasting processes; (c) the inputs and assumptions used in the models (including in relation to economic growth, customer numbers and policy changes and provide any associated models or data relevant to justifying these inputs and assumptions); (d) the weather correction methodology, how weather data has been used, and how Powerlink's approach to weather correction has changed over time; (e) an outline of the treatment of block loads, transfers and switching within the forecasting process;	For all items other than those specified below, refer to the supporting document Powerlink - Maximum Demand Forecasting Methodology. For items (m), (n) and (o) refer to the supporting document Powerlink - Asset Planning Criteria. For item (q) refer to Powerlink's Category Analysis RIN, Basis of Preparation, 2019/20.

	(f) any appliance models, where used, or assumptions relating to average customer energy usage (by customer type); (g) how the forecasting methodology used is consistent with, and takes into account, historical observations (where appropriate), including any calibration processes undertaken within the model (specifically whether the load forecast is matched against actual historical load on the system and substations); (h) how the resulting forecast data is consistent across forecasts provided for each connection point identified in Workbook 1 – Forecast, regulatory template 5.4 and system wide forecasts; (i) how the forecasts resulting from these methods and assumptions have been used in determining the following: (i) capex forecasts; and (ii) operating and maintenance expenditure forecasts. (j) whether Powerlink used the forecasting model(s) it used in the joint planning process for the purposes of its revenue proposal; (k) whether Powerlink forecasts both coincident and non-coincident maximum demand at the connection point, or other nominated network elements, and how these forecasts reconcile with the system level forecasts (including how various assumptions that are allowed for at the system level relate to the network level forecasts); (l) whether Powerlink records historic maximum demand in MW, MVA or both; (m) the probability of exceedance that Powerlink uses in network planning; (n) the contingency planning process, in particular the process used to assess high system demand; (o) how risk is managed across the network, particularly in relation to non network solutions to peak demand events; (p) whether and how the maximum demand forecasts underlying the revenue proposal reconcile with any demand information or related planning statements published by AEMO, as well as forecasts produced by any distribution network service providers connected to Powerlink's network; and (q) how the normal and emergency ratings are used in determining capacity for individual transmission connection points.	
10.4	Provide: (a) evidence that any independent verifier engaged by Powerlink has examined the reasonableness of the method, processes and assumptions in determining the forecasts and has sufficiently capable expertise in undertaking a verification of forecasts; and (b) all documentation, analysis and models evidencing the results of the independent verification.	We have not engaged an independent verifier as we have adopted AEMO's 2020 ESOO forecasts.

Incentive schemes and other reporting

11. Service target performance incentive scheme

11.1	For the service component of the STPIS, provide the values that Powerlink proposes are to be attributed to the performance incentive scheme parameters for the purposes of the application to Powerlink of the STPIS in the attached Workbook 1 – Forecast, regulatory template 7.9, in two parts: (a) data for 2015-19, and the proposed scheme parameters based on that data is to be provided by 1 February 2021; (b) data for 2016-20, and the proposed scheme parameters based on that data is to be provided by 30 November 2021; (c) the data required in response to paragraphs 11.1(a) and (b) is to be submitted using regulatory template 7.9 STPIS (table 7.9.1) in the attached Workbook 1 – Forecast; (d) an explanation of how the proposed values to be attributed to those performance incentive scheme parameters comply with the requirements of the STPIS; (e) an explanation of the method used to calculate the proposed values to be attributed to those performance incentive scheme parameters and provide supporting calculations; (f) performance data (including the underlying outage and exclusion data) used to calculate the proposed performance targets in Excel spreadsheet format; (g) for each exclusion claim, please provide supporting evidence which shows how the proposed exclusion claim meets the requirements of the relevant exclusion clause. If such evidence has previously been provided to the AER, Powerlink may refer to its previous submission, and is not required to resubmit the evidence; (h) an explanation that data provided in paragraph 11.1(f) are consistently recorded based on the parameter definitions that apply to Powerlink under the service component of the STPIS.	Powerlink has provided SC data consistent with items (a), (b), (c) and (f) in its Reset RIN Return: • For item (a), refer to Workbook 1, Table 7.9 STPIS for 2015-19 data. • For item (b), refer to Workbook 1, Template 7.9 (Alternative) for 2016-20 data. For items (d) and (e), refer to Chapter 15.5 STPIS Target Setting for the 2023-27 Regulatory Period of our Revenue Proposal and Appendix 15.01 Setting STPIS Values. For item (g), refer to documents previously provided to the AER as part of the STPIS annual compliance submission. Note: these have not been re-submitted as part of our Revenue Proposal. For item (h), refer to the Reset RIN Basis of Preparation supporting document.
11.2	For the Market Impact Component of the STPIS, provide performance data in accordance with Appendix C of the STPIS for the seven calendar years, in two parts: (a) Data for 2013-19 is to be provided by 1 February 2021. (b) Data for 2014-20 is to be provided by 30 November 2021. (c) The data required in response to paragraphs 11.2(a) and (b) is to be submitted using regulatory template 7.9 STPIS (table 7.9.4) in the attached Workbook 1 – Forecast and the Market Impact Component Microsoft Excel workbook (Workbook 2 – MIC) at Appendix A to this notice. (d) Powerlink is to: (i) make a copy of the Workbook 2 – MIC for each relevant year and label each copy as provided for in Workbook 2 – MIC; (ii) complete each copy of the Workbook 2 – MIC as provided for in the Workbook 2 – MIC;	Powerlink has provided MIC data consistent with items (a) to (d) in its Reset RIN Return: • For item (a), refer to Workbook 1, Template 7.9 STPIS for 2013-19 data. • For item (b), refer to Workbook 1, Template 7.9 (Alternative) for 2014-20 data. • Individual workbooks for MIC for the 2013-20 years have been provided. For item (e), refer to documents previously provided to the AER as part of Powerlink's STPIS annual compliance submission. Note: these have not been re-submitted as part of our Revenue Proposal.

	(iii) submit to the AER completed copies of Workbook 2 – MIC with its response to this notice. (e) For each exclusion claim, please provide supporting evidence which shows how the proposed exclusion claim meets the requirements of the relevant exclusion clause. If such evidence has previously been provided to the AER, Powerlink may refer to its previous submission, and is not required to resubmit the evidence.	
11.3	For the network capability component of the scheme: (a) provide a network capability incentive parameter action plan (NCIPAP) as required under clause 5.2(b) of the STPIS, which must include: (i) for every transmission circuit or injection point on Powerlink's network, an explanation of the reason for the limit for each transmission circuit or injection point. (ii) a description of the process that Powerlink undertook to identify the limit for each transmission circuit or injection point. (iii) a list of proposed priority projects to be undertaken in the relevant regulatory control period to improve the limit of the transmission circuits and injection points identified in (i) in table 7.9.2 of regulatory template 7.9. (iv) a list of project details for each proposed priority project using the sample format below [*Note: Powerlink has not recreated the format provided in this compliance checklist*]. (b) in relation to the limits identified in paragraph 11.3(a)(i) of Schedule 1 provide the following network limits information in table 7.9.3 of regulatory template 7.9: (i) Limit identification: If a thermal limit, identify injection point and/or transmission element (line, cable, transformer). If not a thermal limit, identify the cut set (transmission lines) over which the limit is defined and identify the type of limit; e.g. short term voltage, long term voltage, transient, oscillatory, etc. (ii) Define limit: If a thermal limit, specify ratings. The ratings are those provided to AEMO for operational purposes. If not a thermal limit, provide the limit equation or upper limit on the cut set. (iii) Reason for limit: If a thermal limit, provide an explanation of the reason for the limit, including: (A) identify whether the rating is caused by primary or secondary equipment (B) specify the equipment that is setting the rating (C) for ratings other than continuous ratings of transmission lines and transformers, specify the time applicable for the given ratings (i.e. EMER and LDSH ratings) (D) if the limiting element is the transmission line, provide details on the number of spans that would require uprating to increase the rating to the conductor design temperature (E) what assumptions were used in the calculation of the line ratings (e.g. ambient temperature, wind speed, wind direction)	For item (a) and (c), Powerlink has decided not to propose any Network Capability Incentive Parameter Action Plan (NCIPAP) projects in its Revenue Proposal and consulted with AEMO on potential NCIPAP projects. Refer to Section 15.5.6 Proposed Network Capability Component Projects of our Revenue Proposal for an explanation of the process undertaken and results. For item (b), refer to the confidential supporting document Information on Powerlink Network. Items (d) to (g) are not applicable.

(F) does the line have weather monitoring? If so, what is being measured? Are dynamic ratings applied operationally?

(iv) If not a thermal limit, provide a description of the limiting phenomena; e.g. voltage collapse in area X for trip of element Y / generator Y.

(v) To understand the asset configuration, thermal ratings and secondary plant limits, provide supporting information, for example:

(A) single line diagram of terminal stations and substations with major assets (e.g. switchgears, transformers, CT, VT)

(B) single line diagram of distribution substations connection

(C) plant data information of all major assets (e.g. current, MVA & voltage ratings, short circuit capability, transformer parameters)

(D) secondary plant information (e.g. CT and protection limits)

(E) other plant information (e.g. interplant connections, connecting element between line and station)

(F) circuit data information (e.g. conductor type, impedance parameters, ratings, route length, easements)

(G) details of ability to transfer load from one station to another station

(vi) To understand the asset performance, provide supporting information:

(A) plant outage investigation report

(B) plant unplanned outage data (e.g. for each historical outage, date and time of outage, type of unplanned outage, duration of unavailability of plant of each of the outages)

(vii) Is the limit addressed by a priority project? Indicate whether the limit is addressed by a priority project in the NCIPAP. Provide project name. If not, please provide an explanation of why this limit has not been addressed by a priority project.

(c) State whether Powerlink has consulted with AEMO regarding the NCIPAP.

(d) State whether AEMO has disagreed with Powerlink as to:

(i) whether a project should be classified as a priority project;

(ii) whether a priority project improvement target will result in a material improvement, or

(iii) the ranking of the priority projects, and, if so, identify each disagreement and the grounds for the disagreement.

(e) Explain how Powerlink has considered the impacts of the proposed priority projects on its proposed forecast capex and opex for the forthcoming regulatory control period.

(f) State whether the costs of the proposed priority projects are included in the proposed forecast capex and opex for the forthcoming regulatory control period.

(g) State whether the benefits and improved limit values for each proposed priority project are solely to be attributable to the priority project and not any other work which Powerlink is undertaking on the transmission network.

12. Proposed contingent projects

12.1	For each contingent project proposed in the revenue proposal, provide: (a) a description of the proposed contingent project, including reasons why Powerlink considers the project should be accepted as a contingent project for the forthcoming regulatory control period; (b) the proposed contingent capex which Powerlink considers is reasonably required for the purpose of undertaking the proposed contingent project; (c) the methodology used for developing that forecast and the key assumptions that underlie it; (d) information that demonstrates that the undertaking of the proposed contingent project is reasonably required to meet one or more of the objectives referred to in clause 6A.8.1(b)(1) of the NER; (e) a demonstration that the proposed contingent capex for each proposed contingent project: (i) is not included (either in part or in whole) in Powerlink's proposed total forecast capex for the forthcoming regulatory control period; (ii) reasonably reflects the capex criteria, taking into account the capex factors, in the context of the proposed contingent project; and (iii) exceeds either $30 million ($nominal) or 5 per cent of Powerlink's proposed maximum allowed revenue for the first year of the forthcoming regulatory control period, whichever is the larger amount. (f) the proposed trigger events relating to the proposed contingent project.	For items (a) to (f) refer to Section 5.7.1 Proposed Contingent Projects of the Revenue Proposal and Appendix 5.07 Contingent Projects.
12.2	For each proposed trigger event relating to the proposed contingent project referred to in paragraph 12.1(f), demonstrate: (a) the proposed trigger event is reasonably specific and capable of objective verification; (b) the occurrence of the proposed trigger event makes the undertaking of the proposed contingent project reasonably necessary in order to achieve any of the capex objectives; (c) the proposed trigger event generates increased costs or categories of costs that relate to a specific location rather than a condition or event that affects the transmission network as a whole; (d) the proposed trigger event is described in such terms that the occurrence of that event or condition is all that is required for the transmission determination to be amended under clause 6A.8.2 of the NER; (e) the proposed trigger event is a condition or event, the occurrence of which is probable during forthcoming regulatory control period, but the inclusion of capex in relation to the proposed trigger event under clause 6A.6.7 of the NER is not appropriate because: (i) it is not sufficiently certain that the event or condition will occur during the forthcoming regulatory control period or if it may occur after that regulatory control period or not at all; or (ii) the costs associated with the event or condition are not sufficiently certain.	As above.

12.3	Provide a summary of Powerlink's proposed contingent projects for the forthcoming regulatory control period including the proposed contingent capex and trigger events for each proposed contingent project in the Workbook 1 – Forecast, regulatory template 7.2.	Refer to Section 5.7.1 Proposed Contingent Projects of our Revenue Proposal. Also refer to the Reset RIN Return Workbook 1, Template 7.2.
13. Indicative impact on annual electricity bills		
13.1	For the purposes of calculating the impact of Powerlink's revenue proposal on the annual electricity bill of typical residential and business customers in Queensland, provide the data/information required in Workbook 7 – Indicative Bill Impact. Provide the data source for each input used for the calculation.	Refer to the Reset RIN Return, Workbook 7, Template 7.6. The source of each input in this table has been described in the template with the exception of the forecasted smooth revenues and energy delivered which are derived from the PTRM.
13.2	The information required in Workbook 7 – Indicative Bill Impact is to be provided for costs associated with prescribed transmission services and must not include any costs related to Distribution Use of System (DUOS) or Jurisdiction Scheme Obligation (JSO).	The data sourced for to calculate transmission costs of a typical customer bill includes transmission use of system costs which excludes any costs related to Distribution Use of System or Jurisdiction Scheme Obligation.
14. Rate of return		
14.1	For the purposes of assessing Powerlink's proposal, and facilitating stakeholder assessment of the proposal, we require it to provide 'placeholder' averaging periods which will be made public and have been used to calculate an indicative rate of return in Powerlink's revenue proposal.	Refer to Section 9.3 Rate of Return of our Revenue Proposal.
Regulatory asset base and tax reporting		
15. Total revenue cap and maximum allowed revenue		
15.1	Provide Powerlink's calculation of the: (a) estimated total revenue cap for the forthcoming regulatory control period; and (b) maximum allowed revenue for each year of the forthcoming regulatory control period using the AER's post-tax revenue model, which is to be submitted as part of Powerlink's revenue proposal.	Refer to Chapter 11 Maximum Allowed Revenue of our Revenue Proposal. Refer also to the PTRM lodged with our Revenue Proposal.
15.2	Provide details of any departure from the AER's post-tax revenue model for the calculations referred in paragraph 15.1 and the reasons for that departure.	Not applicable. No departures from the PTRM are proposed.
16. Regulatory asset base		
16.1	Provide Powerlink's calculation of the RAB for the relevant transmission system for each regulatory year of current regulatory control period using the AER's roll forward model, which is to be submitted as part of the revenue proposal.	Refer to Chapter 8 Regulatory Asset Base of our Revenue Proposal. Refer also to our RFM lodged with our Revenue Proposal.
16.2	Provide details of any departure from the underlying methods in the AER's roll forward model for the calculation referred to in paragraph 16.1 and the reasons for that departure.	No departures from the underlying methods have been proposed.

16.3	If the value of the RAB as at the start of the forthcoming regulatory control period is proposed to be adjusted because of changes to asset service classification, provide details including relevant supporting information used to calculate that adjustment value.	As above.
16.4	Provide details of any departure in the allocation of actual capex and asset disposal values across asset classes in the roll forward model from those reported in the certified annual statements for the relevant regulatory years and the reasons for that departure.	As above.

17. Depreciation schedules

17.1	Provide Powerlink's calculation of the depreciation amounts for the relevant transmission system for each regulatory year of: (a) the current regulatory control period using the AER's roll forward model, which is to be submitted as part of the revenue proposal; and (b) the forthcoming regulatory control period using the AER's post-tax revenue model, which is to be submitted as part of the revenue proposal.	Refer to Chapter 8 Regulatory Asset Base and Chapter 10 Depreciation of our Revenue Proposal. Refer also to our RFM, PTRM and Depreciation Tracking Module lodged with our Revenue Proposal.
17.2	Provide details of any departure from the underlying methods in the AER's roll forward model and post-tax revenue model for the calculations referred to in paragraph 17.1 and the reasons for that departure.	Not applicable.
17.3	Identify any changes to standard asset lives for existing asset classes from the previous determination. Explain the reason/s for each change and provide relevant supporting information.	Not applicable. We do not propose any changes to standard asset lives.
17.4	Identify any changes to new asset classes from the previous determination. Explain the reason/s for using these new asset classes and provide relevant supporting information on their proposed standard asset lives.	Not applicable, as above.
17.5	If any existing asset classes from the previous determination are proposed to be removed and their residual values to be reallocated to other asset classes, explain the reason/s for the change and provide relevant supporting information. This should include a demonstration of the materiality of the change on the forecast depreciation allowance.	Not applicable. We do not propose any asset classes removals.
17.6	Describe the method used to depreciate existing asset classes as at 1 July 2022 (the start of the forthcoming regulatory control period) and provide supporting calculations, if the approach differs from that in the roll forward model.	Not applicable, as above.

18. Corporate tax allowance

18.1	Provide Powerlink's calculation of the estimated cost of corporate income tax for the forthcoming regulatory control period using the AER's post-tax revenue model, which is to be submitted as part of the revenue proposal.	Refer to Chapter 9 Rate of Return, Taxation and Inflation of our Revenue Proposal and the PTRM lodged with our Revenue Proposal.
18.2	Provide details of any departure from the AER's post-tax revenue model for the calculations referred to in paragraph 18.1 and the reasons for that departure.	Not applicable.

18.3	Identify each change to standard tax asset lives for existing asset classes from the previous determination. Explain the reason/s for the change and provide relevant supporting information, including Federal tax laws governing depreciation for tax purposes.	We do not propose any changes.
18.4	Describe the method used to depreciate existing asset classes as at 1 July 2022 (the start of the forthcoming regulatory control period) for tax purposes and provide supporting calculations, if the approach differs from that in the AER's roll forward model.	Not applicable.
18.5	Provide Powerlink's calculation of the tax asset base for the relevant transmission system for each regulatory year of the current regulatory control period using the AER's roll forward model, which is to be submitted as part of the revenue proposal.	Refer to the RFM lodged with our Revenue Proposal.
18.6	Provide details of each departure from the underlying methods in the AER's roll forward model for the calculation referred to in paragraph 18.5 and the reasons for that departure.	Not applicable.
18.7	Identify each difference in the capitalisation of expenditure for regulatory accounting purposes and tax accounting purposes. Provide reasons and supporting calculations to reconcile any differences between the two forms of accounts.	As above.
18.8	Please provide the following information regarding immediate expensing capital expenditure for prescribed transmission services: (a) In Workbook 1 – Forecast, regulatory template 8.2, table 8.2.7 and Workbook 8 – Capex Historical, regulatory template 8.2, table 8.2.7 provide the amount of Powerlink's immediate expensing capital expenditure by asset class commissioned within the relevant regulatory years. This capex should be consistent with the value of immediate expensing capital expenditure that has been or would be included, or forecast to be included, in the income tax returns lodged by Powerlink, whether Federal or NTER, for the relevant regulatory years. These reported values should reflect the values arising as a result of the ATO's decision-making process where relevant. (b) Powerlink is to list in Workbook 1 – Forecast determination, regulatory template 8.2, table 8.2.7 and Workbook 8 – Capex Historical, regulatory template 8.2, table 8.2.7 each asset class specified in its current determination as listed in the AER's final decision in its post-tax revenue model and enter the immediate expensing capital expenditure information against each asset class. Further to this, where there is no actual immediate expensing capital expenditure for a specific asset class for the relevant regulatory year, input the value "0". (c) List and explain the types of capex (such as refurbishment capex and capitalised overheads) associated with the immediate expensing capital expenditure as reported in Workbook 1 – Forecast, regulatory template 8.2 and Workbook 8 – Capex Historical, regulatory template 8.2, if any. (d) Explain the approach Powerlink used to forecast its immediate expensing capital expenditure for the period 2022-23 to 2026-27 regulatory control period as provided in the proposed post-tax revenue models. (e) State if Powerlink intends to change its tax policy on immediate expensing capital expenditure from its current policy.	For item (a) and (b), refer to the Reset RIN Return Workbook 1, Table 8.2.7 and Workbook 8, Table 8.2.7 and the Basis of Preparation for provided with our Reset RIN Return, which provides further information in relation to the historical immediate expensing capex reported in Workbook 8. For item (c), (d) and (e): • the immediate expensing capital expenditure reported in Workbooks 1 and 8 consists of capitalised overheads expenditure; • our forecast of immediate expensing capital expenditure is based on actual immediate deductions of capitalised overheads over previous years; and • we do not intend to change our tax policy on immediate expensing capital expenditure from our current policy.

18.9	The PTRM (version 4) applies the diminishing value (DV) method for tax depreciation purposes to all new depreciable assets except for certain assets. Where Powerlink proposes capex associated with buildings and in-house software to be exempted from the DV method of tax depreciation, confirm that the proposal satisfies the following requirements: (a) Buildings: Capex for buildings may be depreciated using the SL method if it satisfies the definition of a capital work under section 43.20 of the Income Tax Assessment Act 1997 (ITAA). (b) In-house software: Capex for in-house software may be depreciated using the SL method if it satisfies the definition of in-house software under section 995.1 of the ITAA, and may be depreciated using the SL method, consistent with section 40.72 of the ITAA.	For item (a), our forecast buildings capex is to be depreciated using the straight line method for tax depreciation purposes. We confirm that our definition for in-house software is consistent with the definition under the Income Tax Assessment Act (ITAA). For item (b), our in-house software is to be depreciated on a straight line basis for tax depreciation purposes. We confirm that our definition for in-house software is consistent with the definition under the ITAA.

Miscellaneous reporting

19. Related party transactions

19.1	Identify and describe all other entities which: (a) are a related party to Powerlink and contribute to the provision of transmission services; or (b) have the capacity to determine the outcome of decisions about Powerlink's financial and operating policies.	Not applicable.
19.2	Provide a diagram of the organisational structure depicting the relationships between all the entities identified in the response to paragraph 19.1.	As above.
19.3	Identify: (a) all arrangements or contracts between Powerlink and any of the other entities identified in the response to paragraph 19.1 in place during the period 2022-23 to 2026-27 which relate directly or indirectly to the provision of transmission services; and (b) the service or services that are the subject of each arrangement or contract.	As above.
19.4	For each service identified in the response to paragraph 19.3(b): (a) provide: (i) a description of the process used to procure the service; and (ii) supporting documentation including, but not limited to, requests for tender, tender submissions, internal committee papers evaluating the tenders, contracts between Powerlink and the relevant provider; (b) explain: (i) why that service is the subject of an arrangement or contract (i.e. why it is outsourced) instead of being undertaken by Powerlink itself; (ii) whether the services procured were provided under a standalone contract or provided as part of a broader operational agreement (or similar);	As above.

	(iii) whether the services were procured on a genuinely competitive basis and if not, why; and (iv) whether the service (or any component thereof) was further outsourced to another provider.	

20. Other information

20.1	Provide a statement of whether or not Powerlink's revenue proposal is consistent with the most recent Integrated System Plan and, if it is inconsistent, identify and give reasons for any inconsistency.	Refer to Section 5.5.3 Key Inputs and Assumptions of the Revenue Proposal.

21. Corporate structure

21.1	Provide charts that set out: (a) the group corporate structure of which Powerlink is a part; and (b) the organisational structure of Powerlink.	Refer to the supporting document Corporate Structure lodged with the Revenue Proposal.

22. Map of transmission system

22.1	Provide a map of Powerlink's transmission system at the time of submitting information in response to this notice. This map, together with any appropriate accompanying notes, should identify and describe the locations and voltages of existing transmission lines and other major network assets.	Refer to the supporting document Map of Powerlink's Transmission Network lodged with the Revenue Proposal.
22.2	Provide a separate document identifying the locations and different ratings of transmission lines and other major network assets.	As above.

23. Transitional issues

23.1	Provide information on existing potential transitional issues (expressly identified in the NER or otherwise) which Powerlink expects will have a material impact on it and should be considered by the AER in making its transmission determination. For each issue, set out the following information: (a) the transitional issue; (b) what has caused the transitional issue; (c) how the transitional issue impacts on Powerlink; and (d) how Powerlink considers the transitional issue could be addressed.	There are no transitional issues that should be considered by the AER in making its revenue determination.

Assurance requirements

24. Audit option reports and review conclusion statements

24.1	Provide the audit opinion report and review conclusion statements as applicable, prepared in accordance with the requirements set out in Appendix C.	Refer to KPMG's Audit Opinion and Review Opinion supporting documents lodged with the Revenue Proposal.
24.2	Provide all reports from the auditor to Powerlink's management regarding the review conclusion statements and/or auditors' opinions report or assessment.	As above.

Other information

25. Confidential information

25.1	This clause applies to any information Powerlink provides: (a) in response to Schedule 1; (b) in a revenue proposal, proposed negotiating framework, proposed pricing methodology, for the forthcoming regulatory control period (a Proposal); (c) in a revision or amendment to a Proposal; and (d) in a submission Powerlink makes regarding a Proposal or a revised or amended Proposal; (together, Powerlink's Information).	Powerlink has claimed confidentiality consistent with this clause and the AER's Confidentiality guideline. Refer to the Confidentiality Register lodged as a supporting document for the Revenue Proposal.
25.2	If Powerlink wishes to make a claim for confidentiality over any of Powerlink's Information, provide the details of that claim in accordance with the requirements of the AER's Confidentiality guideline, as if it extended and applied to that claim for confidentiality.	As above.
25.3	Provide any details of a claim for confidentiality in response to paragraph 25.2 at the same time as making the claim for confidentiality.	As above.

26. Compliance with section 71YA of the NEL

26.1	Where any expenditure or cost has been incurred or is forecast to be incurred by Powerlink, as a result of or incidental to a review under Division 3A – Merits review and other non-judicial review – of the NEL, Powerlink must identify the expenditure or cost and provide a statement attesting that: (a) Powerlink has not included any of that expenditure or cost, or any part of that expenditure or cost, in the capital or operating expenditures contained in its revenue proposal; and (b) Powerlink has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and (c) Powerlink has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.	Not applicable.

26.2	Where no expenditure or cost has been incurred or is forecast to be incurred by Powerlink, as a result of or incidental to a review under Division 3A – Merits review and other non-judicial review – of the NEL, Powerlink must provide a statement attesting that: (a) No such expenditure or cost has been incurred or is forecast to be incurred.	As above.

27. Resubmission of information

27.1	If Powerlink is required to resubmit information provided under this notice, Powerlink must provide: (a) the relevant Microsoft Excel Workbook(s), fully populated, with the revised information marked as amended using the macro function within the Microsoft Excel Workbook(s); (b) the reason for the resubmission; and (c) a statement as to whether or not the resubmitted information results in a material change in Powerlink's response to the notice.	Not applicable.
27.2	If Powerlink resubmits information which results in a material change to its response to this notice, the AER may request that Powerlink provide assurance over this information by: (a) verifying the resubmitted information by way of a statutory declaration in accordance with Appendix B of this notice; and (b) providing the necessary audit opinion report and the review conclusion statements as applicable for the resubmitted information, prepared in accordance with the requirements set out in Appendix C of this notice.	As above.
27.3	If the AER requests assurance over the resubmitted information in accordance with paragraph 27.2, such assurance information must be provided on a date agreed to by the AER.	As above.