

2023-27

POWERLINK QUEENSLAND REVENUE PROPOSAL

Appendix 9.01 – PUBLIC

Nominated Averaging Periods

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1 Nominated Averaging Periods

As per the Australian Energy Regulator’s (AER) 2018 Rate of Return Instrument (RoR Instrument), Powerlink has nominated its averaging periods for the 2023-27 regulatory period below. We request that these periods be treated as confidential¹.

1.1 Return on Debt

The *return on debt* averaging periods used to update the return of debt each year must satisfy the following conditions:

- be over a period of between 10 business days and 12 months;
- start no earlier than 16 months prior to the commencement of the regulatory period;
- finish no later than four months prior to the commencement of a regulatory year;
- be specified for each regulatory year within a regulatory period;
- do not overlap for each regulatory year; and
- be nominated prior to the averaging period’s commencement and by the date of submission of the Revenue Proposal².

In line with the above criteria, Powerlink has nominated the averaging periods for the return on debt in Table 1.1.

Table 1.1: Return on debt averaging period for the 2023-27 regulatory period

Regulatory year	Averaging Period
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

¹ As per the 2018 Rate of Return Instrument, Australian Energy Regulator, footnote 3, p. 17.

² *Ibid*, Clause 24.

1.2 Risk free rate averaging period

The *risk free rate* averaging period used to determine the allowed return on equity must satisfy the following conditions:

- be over a period of between 20 and 60 business days;
- start no earlier than seven months prior to the commencement of the regulatory period;
- finish no later than three months prior to the commencement of the regulatory period; and
- be nominated prior to the averaging period's commencement and by the date of submission of the Revenue Proposal³.

In line with the above criteria, Powerlink has nominated the averaging periods for the risk free rate in Table 1.2.

Table 1.2: Risk free rate averaging period for the 2023-27 regulatory period

Averaging Period	Relevant Return of Equity Update
[REDACTED]	[REDACTED]

Note: In the AER's Final Decision on our 2023-27 Revenue Proposal, the nominated averaging period for the risk free rate will be used to set the return on equity in each year of the 2023-27 regulatory period.

³ *Ibid*, Clause 8.