



Ref: A2754623

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Peter Adams
General Manager – Wholesale Markets Branch
Australian Energy Regulator
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AERInquiry@aer.gov.au

Dear Peter

Amendments to the RIT-T and RIT-D Application Guidelines

Powerlink understands that the AER's consultation on this matter is limited only to changes to its RIT Guidelines to give effect to the AEMC's recent Rule Determination on Replacement Expenditure Planning Arrangements (18 July 2017). In particular, the requirement for the AER to amend and publish updates to its RIT Guidelines by 18 September 2017.

Within this context, Powerlink notes that the AER's proposed amendments to the RIT-T Guidelines are minor and appear to be consistent with the AEMC's Final Determination above.

However, Powerlink notes that the AER's marked-up RIT-T Guidelines still refer to the RIT-T cost thresholds of \$5 million in several areas and \$35 million in relation to exemption from the need to prepare a Project Assessment Draft Report (Figure 1). While it is recognised that the threshold is consistent with the Rules, Powerlink suggests that the AER update the thresholds to \$6 million and \$41 million, respectively, to reflect the outcomes of its 2015 cost threshold review. Powerlink considers that such an approach would be more meaningful to stakeholders, who may not necessarily be aware of the cost threshold review process and may find it confusing to reconcile the 'old' thresholds in the Rules and the AER's Guidelines as currently drafted, and those applied by transmission network service providers in practice.

If you have any questions in relation to this submission, please contact Jennifer Harris.

Yours sincerely,

A handwritten signature in blue ink that reads "Kevin Kehl".

Kevin Kehl
Executive General Manager
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