

10 February 2014

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Sent via email to: [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au)

Dear Paul,

**Heywood interconnector upgrade – ElectraNet’s contingent project application**

Thank you for the opportunity to comment on ElectraNet’s contingent project application for the Heywood interconnector upgrade.

Since the Heywood upgrade involves works on both the Victorian and South Australian transmission networks, AEMO and ElectraNet jointly conducted the RIT-T for the present contingent project application. In September 2013, the AER affirmed that the preferred option identified in the Heywood RIT-T satisfies the requirements of the NER.

AEMO subsequently conducted a competitive tender process for the Victorian portion of the works. On 20 January 2014, AEMO executed contracts with SP AusNet for the construction, ownership and operation of the Heywood Terminal Station Upgrade. This project is expected to be completed by October 2015, with the majority of outages scheduled to occur during August-September 2015.

In order to maximise the customer benefits identified in the Heywood RIT-T, it is necessary for works to be carried out on both transmission networks. Any outcome that threatens the viability of ElectraNet’s upgrade could also undermine the benefits associated with our project.

We therefore strongly support an AER decision that permits ElectraNet to recover the efficient costs associated with the Heywood upgrade.

AEMO would be happy to discuss these matters in more detail. If you have any questions or comments, please don’t hesitate to contact Franc Cavoli on 03 9609 8416.

Yours sincerely



David Swift  
**Executive General Manager Corporate Development**