

# Statement of Compliance with NEL Clause 71YA

2023-28 Transgrid Revenue Proposal

31 January 2022



# Contents

<b>1. Purpose of this document.....</b>	<b>2</b>
<b>2. National Electricity (New South Wales) Law requirements .....</b>	<b>2</b>
<b>3. Reset RIN requirements .....</b>	<b>2</b>
<b>4. Statement of Compliance with NEL Clause 71YA .....</b>	<b>3</b>

## 1. Purpose of this document

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This document sets out Transgrid's compliance with:

- Clause 71YA of the National Electricity (New South Wales) Law (NEL)
- Clause 27 of Schedule 1 of the Reset Regulatory Information Notice (RIN) issued by the Australian Energy Regulator (AER) on 23 September 2021.

## 2. National Electricity (New South Wales) Law requirements

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Clause 71YA of the NEL outlines the obligations on network service provider as follows:

### **71YA costs not to be passed on**

- (1) *This section applies to any expenditure or cost that a network service provider incurs, or is forecast to incur, as a result of or incidental to a review under this Division (Division 3A Merits review and other non-judicial review), including costs awarded under section 71X costs in a review*
- (2) *A network service provider –*
  - a. *must not, for the purposes of a network revenue or pricing determination, include as part of its capital expenditure or operating expenditure any expenditure or cost to which this section applies; and*
  - b. *must not recover from end users or seek a pass through of any expenditure or cost to which this section applies.*
- (3) *This section applies despite any provision to the contrary in this Law, the Rules or a network revenue or pricing determination (and this section prevails to the extent of any inconsistency between such a provision and this section).*

## 3. Reset RIN requirements

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Clause 27 of Schedule 1 of the Reset RIN outlines the requirements on Transgrid as follows:

### **27. Compliance with section 71YA of the NEL**

- 27.1 *Where any expenditure or cost has been incurred or is forecast to be incurred by Transgrid, as a result of or incidental to a review under Division 3A – Merits review and other non-judicial review – of the NEL, Transgrid must identify the expenditure or cost and provide a statement attesting that:*
  - (a) *Transgrid 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) *Transgrid has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and*
  - (c) *Transgrid has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.*
- 27.2 *Where no expenditure or cost has been incurred or is forecast to be incurred by Transgrid, as a result of or incidental to a review under Division 3A – Merits review and other non-judicial review – of the NEL, Transgrid must provide a statement attesting that:*

*(a) No such expenditure or cost has been incurred or is forecast to be incurred.*

## 4. Statement of Compliance with NEL Clause 71YA

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Transgrid has not incurred and is not forecasting to incur expenditure as a result of or incidental to a review under Division 3A Merits review and other non-judicial review of the NEL.

In accordance with clause 27.2 of Schedule 1 of the Reset RIN, Transgrid can attest that no expenditure or cost has been incurred or is forecast to be incurred as a result of as a result of or incidental to a review under Division 3A Merits review and other non-judicial review of the NEL.