



Ref: MC:JC 20231128

28 November 2023

Ms Clare Savage
Chair
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Clare

Essential Energy's 2024-29 Revised Regulatory Proposal

I am pleased to submit Essential Energy's Revised Regulatory Proposal for the period 1 July 2024 to 30 June 2029 ("Revised Proposal").

Our Revised Proposal addresses the Australian Energy Regulator's ("AER's") Draft Decision and sets out those aspects that we have incorporated and those that were not fully accepted.

The most significant change made in our Revised Proposal is the moving of metering services from alternative control services into standard control services, consistent with the AER's preference in its Draft Decision, and following customer and stakeholder support.

We have also included a nominated pass through event for Bushfire Risk Reclassification, rather than including this as a step change as noted in our submission to the AER's Issues Paper. Given the need to appropriately mitigate the risk, and to engage with affected communities, further time is needed to develop the optimal plans to address this change in bushfire risk. We expect the expenditure to be material, and at this stage there are no alternatives available to us to ensure we have the opportunity to recover the efficient costs of addressing the changes in bushfire risk on our network.

The AER's full application of the Efficiency Benefit Sharing Scheme ("EBSS") penalty from 2019-24 is also addressed with further information being provided of why we consider that this is not appropriate and that the penalty has been overestimated.

Our Revised Proposal has continued to be shaped by an ongoing comprehensive program of customer engagement. This includes input from our dedicated Stakeholder and Pricing Collaborative Collectives, our new Essential People's Panel focus group, and our broader base of customers who have participated in customer forums. Our recent consultations have re-confirmed strong customer support for new types of investments (resilience and future networks), despite higher costs resulting from metering changes, and in light of broader cost pressures on households.

The Revised Proposal provides for an average real annual increase in network charges of 1.55% (including metering) over the 2024-29 period.

A number of documents are included in our submission, including:

- An overview of our Revised Proposal
- Revised Proposal including attachments and supporting information
- Revised Tariff Structure Statement and Revised Tariff Structure Explanatory Statement with attachments and supporting information

- A compliance checklist demonstrating how we have complied with the National Electricity Rules

If you would like to discuss our Revised Proposal in more detail, please contact me directly at john.cleland@essentialenergy.com.au or 0419 912 720. Alternatively, please contact Mary-Clare Crowley, Network Regulation Manager via mary-clare.crowley@essentialenergy.com.au, or 0458 203 637.

Yours sincerely



John Cleland
Chief Executive Officer