



Your ref:
Our ref: ENET0112

22 December 2017

Paula Conboy
Chair
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Via email: paula.conboy@aer.gov.au

Dear Ms Conboy *Paula,*

Re: ElectraNet Revised Revenue Proposal

I am pleased to enclose ElectraNet's revised Revenue Proposal for the five year regulatory period commencing 1 July 2018.

As the AER accepted most aspects of ElectraNet's Revenue Proposal in its Draft Decision, including the expenditure forecasts, the revised Revenue Proposal is confined to a small number of updates and adjustments required in response to the Draft Decision.

This includes a targeted and measured update to our operating expenditure forecast, as foreshadowed in the Draft Decision following our letter to stakeholders in early October 2017, to address the net resource impact of new obligations recently applied to ElectraNet in response to the growing power system security challenges in South Australia.

Overall, our revised revenue forecast has moved around 1% from the AER's Draft Decision.

The revised Revenue Proposal continues to build on our collaborative and extensive early engagement with customer representatives and stakeholders, and follows discussion with our Consumer Advisory Panel, Consumer Challenge Panel representatives and AER staff on the main elements of our response, including the key aspects of the revised operating expenditure forecast.

We are confident that the revised Revenue Proposal fully addresses the issues raised in the Draft Decision, and we look forward to continuing our constructive engagement with the AER to conclude the revenue determination process in the long term interests of South Australian electricity customers.

ElectraNet Pty Ltd

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Our revised Revenue Proposal comprises a primary document, updated Directors' Responsibility Statement certifying the reasonableness of the assumptions underpinning our final expenditure forecasts, and a number of supporting models.

In the interests of transparency, we also confirm that the revised Revenue Proposal and supporting material contains no confidential information, and we consent to its full disclosure.

We look forward to briefing the AER Board on our revised Revenue Proposal, and will make arrangements to do so at a suitable opportunity in early 2018.

In the meantime, should you require any further information in connection with our revised Revenue Proposal, please contact Rainer Korte on (08) 8404 7983 or Simon Appleby on (08) 8404 7324.

Yours sincerely



Steve Masters
Chief Executive

cc. Michelle Groves, Chief Executive Officer
Sebastian Roberts, General Manager Networks
Adam Petersen, Director

Encl. Revised Revenue Proposal
Directors' Responsibility Statement