

28 February 2013

Andrew Reeves  
Chairman  
Australian Energy Regulator  
Level 35 The Tower  
360 Elizabeth Street  
Melbourne VIC 3000

By email            SPAusNetTransmission.2014@aer.gov.au

Dear Andrew,

**SP AusNet Electricity Transmission Revenue Proposal 2014/15 – 2016/17**

Please find attached SP AusNet's Revenue Proposal, proposed Pricing Methodology and proposed Negotiating Framework for the regulatory control period 1 April 2014 to 31 March 2017 in accordance with the National Electricity Rules and the AER's Electricity Transmission Submission Guidelines 2007. Other necessary information has been provided to the AER via a secure website.

We are alert to community concern about energy prices. If approved, this proposal will result in the transmission component of a typical Victorian residential user's \$1,300 annual bill reducing in real terms by six dollars to \$46 on 1 April 2014 and remain at that level for the period.

The proposal is for a shorter period than normal and so the need for projects is clearer. Much of the capital program is already committed or underway, including the redevelopment of Richmond and West Melbourne Terminal Stations. These critical, complex projects to prudently secure supply to the CBD and inner Melbourne constitute a third of the overall program.

I look forward to discussing these matters and the proposal more generally with your Board at our 5<sup>th</sup> April meeting,

Yours sincerely,



**Nino Ficca**  
**Chairman**  
**SPI PowerNet Pty Ltd**

cc. Michelle Groves, Chief Executive Officer  
cc. Warwick Anderson, General Manager Network Regulation  
cc. Pradeep Fernando, A/Director Network Regulation