

Our Ref: D14/21300

Your Ref:



31 May 2014

Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
Level 35 The Tower
360 Elizabeth Street
Melbourne Central
MELBOURNE VIC 3000

Dear Chris

Tasmanian Transmission Revenue Proposal 2014–19

Please find attached the Tasmanian Transmission Revenue Proposal, consumer overview, proposed pricing methodology, and proposed negotiating framework for the 2014-19 regulatory period. Transend Networks has prepared this proposal on behalf of Tasmanian Networks (TasNetworks) Pty Ltd, who will be Tasmania's transmission network service provider from 1 July 2014. Transend has worked closely with TasNetworks in finalising the proposal.

We also submit a number of other documents as required by the National Electricity Rules and Regulatory Information Notice, and additional material as supporting information.

Where required, we have provided confidentiality claims on relevant information which is commercially sensitive or subject to legal privilege.

During the current regulatory period we have acted in the interests of our customers by under-recovering our allowed revenue.

For the next regulatory period we have responded to customer and consumer feedback by balancing the need for reliable and secure provision of electricity supply with a continued focus on cost control.

Our proposal delivers a significantly lower capital investment program, further reduces our operating expenditure, and includes cost savings that will require us to drive our business even harder. The proposal achieves real reductions in revenue whilst maintaining service levels. We look forward to working constructively with the AER, customers and other interested stakeholders during the review of this Revenue Proposal.

If you have any queries regarding this matter, please contact Michael Seddon on (03) 6274 3857 or by email to Michael.Seddon@transend.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Clark', written in a cursive style.

Peter Clark
Chief Executive Officer