

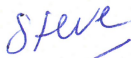
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Our Ref: 65042
Contact Officer: Sebastian Roberts
Contact Phone: 03 9290 1895

12 April 2019

Steve Masters
Chief Executive
ElectraNet
52-55 East Terrace
Adelaide SA 5000



Dear Mr Masters,

Re: SA Energy Transformation RIT-T- Request for determination

I refer to Rainer Korte's letter of 11 April 2018 requesting a determination under cl. 5.16.6 of the National Electricity Rules (the Rules) that the South Australian Energy Transformation (SAET) satisfies the requirements of the regulatory investment test for transmission (RIT-T).

As you are aware, on 15 March 2019, the AER received a dispute notice from the South Australian Council of Social Service (SACOSS) on the SAET RIT-T. We have begun the dispute resolution process in accordance with cl. 5.16.5(d) of the Rules. We are required to issue our decision within 40 days of receiving the dispute notice. This can be extended by up to 60 days to account for the complexity or difficulty of the issues involved.

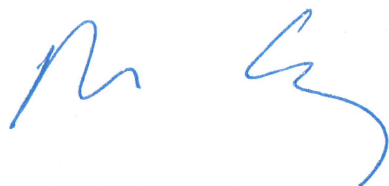
As advised in an earlier correspondence to ElectraNet (a copy of which is attached), the AER does not consider concurrent dispute resolution and cl. 5.16.6 processes are consistent with the Rules. This was confirmed by the AEMC in its 4 April 2019 final determination on Early Implementation of ISP priority projects rule change. In particular, the AEMC stated that:

If the relevant TNSP(s) submit a request for a preferred option determination during the dispute notification period, and a dispute is subsequently lodged, the Commission considers it reasonable to expect that the AER would stop its RIT-T preferred option assessment until the dispute is resolved as resolution of the dispute may result in changes being required to the RIT-T project assessment conclusions report, including a revised preferred option (page 8-9).

Accordingly, and as previously advised, we will not consider a request from ElectraNet for a cl. 5.16.6 determination on the SAET Project Assessment Conclusions Report until the dispute resolution process has been finalised.

If you have any questions, please contact Sebastian Roberts on 03 9290 1895.

Yours sincerely,

A handwritten signature in blue ink, consisting of a stylized 'P' followed by a cursive 'C' and a long horizontal stroke.

Paula Conboy
Chair
Australian Energy Regulator

Sent by email on: 12.04.2019