

31 May 2019

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Mr Chris Pattas
General Manager,
Australian Energy Regulator
Casselden Place
Level 17, 2 Lonsdale St
Melbourne VIC 3000

Dear Chris,

Contingent Project Application – Bushfire Mitigation Project 3

The AERs Final Decision on AusNet Services Distribution Determination 2016 to 2020, issued in May 2016, provides for three bushfire mitigation contingent projects. The trigger events that lead to activation of the third contingent projects have occurred, and accordingly AusNet Services is submitting its application for approval of the incremental capital and operating expenditure for Bushfire Mitigation Project 3.

Bushfire Mitigation Project 3 aligns to the third tranche of substations in our REFCL work program. The attached document provides a detailed explanation of the prudent and efficient expenditure requirements to undertake the Bushfire Mitigation Project 3. AusNet Services is confident the expenditure forecasts in this application comply with the requirements of the Rules. Accordingly, those expenditure forecasts should be accepted by the AER for the purpose of amending the 2016-20 revenue determination to enable AusNet Services to recover the efficient costs of this contingent project.

There is information in the application that is confidential, and accordingly we also provide a version of the application that can be made public.

We are happy to meet with AER staff to further discuss this Contingent Project Application. If you have any queries in relation to this submission, please contact Michael Larkin, Senior Economist on 03 9695 6346.

Yours sincerely



Tom Hallam
General Manager Regulation & Network Strategy