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31 January 2014

Mr Andrew Reeves
Chair
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Mr Reeves

Transitional Regulatory Proposal

I am pleased to submit Ausgrid's transitional regulatory proposal for the period 1 July 2014 to 30 June 2015. The National Electricity Rules (NER) requires Ausgrid to submit this proposal to the AER by 31 January 2014.

Ausgrid's transitional regulatory proposal comprises the proposal document and the information contained in the appendix and attachments. This transitional regulatory proposal has been prepared in accordance with the requirements of transitional Chapter 6 and Division 2 of Part ZW of Chapter 11 of the NER. It is also relevant to note that we have implemented the substance of the approach preferred by the AER in relation to indicative prices for alternative control services for the transitional year.

Ausgrid's proposal contains confidential information in Attachment H and Appendix B of Attachment K which Ausgrid requests not be published or otherwise disclosed by the AER. As required by the AER's Confidentiality Guideline, we have prepared and attached confidential and public versions of the proposal as well as a confidentiality template setting out the basis of our request for the information be kept confidential. We have also prepared and attached a proportion of confidential material notice also required by the AER's Confidentiality Guideline.

Should you require further information, please contact Mr Trevor Armstrong, Chief Operating Officer, on (02) 9269 4900 or Mr Matthew McQuarrie, Program Director, on (02) 9269 4353.

Yours sincerely,

A handwritten signature in blue ink that reads "Vince Graham".

Vince Graham
Chief Executive Officer, Ausgrid