



30 June 2017

Mr Sebastian Roberts
General Manager
Australian Energy Regulator
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Dear Mr Roberts

Ausgrid's submission of its Expenditure Forecasting Methodology

Ausgrid welcomes the opportunity to submit its Expenditure Forecasting Methodology to the AER, in accordance with clause 6.8.1A of the National Electricity Rules. The Methodology describes our proposed approach to forecasting capital and operating expenditure for our standard control services over the 2019-24 regulatory period.

Full details of our approach to forecasting expenditure will be included in our regulatory proposal as required by the National Electricity Rules. Nevertheless, the Methodology serves an important role in the determination process for Ausgrid and its stakeholders, as it is intended to be the starting point for early engagement on these integral elements of our revenue requirement.

We look forward to discussions with the AER on our approach to forecasting expenditure and the 2019-24 distribution determination more generally. If you have any queries or wish to discuss this matter in further detail please contact Son Vu, Regulation Strategy Manager, on (02) 9269 4360 or via email to svu@ausgrid.com.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read "R. Lewis", with a long horizontal line extending to the right.

Rob Amphlett Lewis
Executive General Manager – Strategy & Regulation