



27 April 2018

Ms Paula Conboy  
AER Chair

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Australian Energy Regulator

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Dear Ms Conboy

***Ausgrid's Regulatory Proposal for the 2019-24 regulatory control period***

Ausgrid is pleased to submit the attached Regulatory Proposal (**Proposal**) including our proposed Tariff Structure Statement (**TSS**) for the 2019-24 regulatory control period in accordance with the requirements of the National Electricity Rules (**Rules**).

I believe our Proposal captures the significant progress Ausgrid has so far made to become a customer centric organisation. This is by incorporating the views of customers and stakeholders who have taken both the time and effort to help develop this Proposal, particularly over the period the Australian Energy Regulator (**AER**) granted Ausgrid an extension to make this submission.

Ausgrid understands that high energy prices are negatively impacting households and businesses alike. We have made clear inroads in addressing this and on 1 July 2018, Ausgrid's network component of our customers' bills will have reduced by 30% from July 2013. We accept that more needs to be done and, in line with our commitment to affordability, our Proposal will result in:

- **lower prices**, with a 6% reduction in our prices within the network component of residential customer bills by 1 July 2019;
- **fairer prices**, with changes to pricing that reflect the actual costs of network usage and measures to protect vulnerable customers; and
- **zero** real growth in the value of the assets we use to provide our services on a per customer basis.

I look forward to continuing to drive the company to achieve its vision over the coming regulatory period to be 'a leading energy solutions provider, recognised both locally and globally' and commit Ausgrid to continuing to work with our customers and stakeholders to deliver on this vision. We understand that we can only achieve our vision and purpose by working closely together.

Along with our Proposal, please also find attached the information specified in the Regulatory Information Notice (**RIN**) and our Confidentiality Response template. All information not identified as confidential in that template may be publicly disclosed.

I would also like to thank you for the opportunity provided by the AER to engage with our customers following the granting of the extension. This opportunity provided us, and our customers and stakeholders, significant benefit which I consider is reflected in our Proposal.

I look forward to discussing the Proposal with your Board in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Gross', with a long horizontal flourish extending to the right.

Richard Gross  
Chief Executive Officer  
Ausgrid