

Contact: Leigh Mayne
Phone no: (03) 6270 3691
Our Ref: NW30194025
Your Ref: 44827

22 June 2011



Mr Scott Haig
A/g General Manager
Network Regulation Branch
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Attention: Mark McLeish

Dear Mr Haig

VALUE OF GAMMA IN AURORA'S REGULATORY PROPOSAL

Thank-you for your letter of 8 June 2011 seeking clarification of the value of gamma that is to apply to Aurora's Regulatory Proposal.

Aurora confirms its intention to adopt a value of 0.25 in its Regulatory Proposal and provides updated revenue calculations using a gamma value of 0.25.

Adopting a value of gamma has had a number of consequential effects to Aurora's Regulatory Proposal and RIN Response and Aurora provides addendums to its Regulatory Proposal and RIN Response as attachments to this letter.

In these addendums Aurora provides:

- new chapters for each part of its Regulatory Proposal and any supporting information that has been impacted by the change in gamma value; and
- new responses for each part of its RIN Response and any supporting information that has been impacted by the change in gamma value.

The addendums provided by Aurora replace the effected chapters of its Regulatory Proposal, the responses within the RIN Response and any supporting information in their entirety.

If you have any questions, please contact Leigh Mayne on the above number or via email at leigh.mayne@auroraenergy.com.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Kim Rosinski", with a stylized flourish at the end.

Kim Rosinski
Commercial Manager
Aurora Energy