

31 January 2022

Clare Savage  
Chair  
Australian Energy Regulator

via email: [clare.savage@aer.gov.au](mailto:clare.savage@aer.gov.au)

Dear Clare

**re: ElectraNet Transmission Network Revenue Proposal 2024-2028**

ElectraNet has today submitted its Revenue Proposal to the Australian Energy Regulator (AER) for the five-year regulatory control period commencing 1 July 2023.

The Revenue Proposal is the culmination of extensive early engagement with customers and wider stakeholders aimed at developing a well-tested set of proposals that are targeted to customer needs, and capable of both support by customers and acceptance by the AER.

This engagement has shaped the further development of our forecast expenditure programs and the indicative expenditure forecasts included in our July 2021 Preliminary Revenue Proposal, resulting in the following changes from the indicative forecasts:

- a 12% reduction in proposed capital expenditure
- a 3% decrease in proposed operating expenditure
- a smaller increase in real customer prices of 0.8% in 2024 (down from 5% in our July forecast) with a stable outlook thereafter.

We are grateful for customers and stakeholders who have contributed to the development of our Revenue Proposal.

We are also grateful for the commitment of the AER to our early engagement approach and for its active participation in this process. This has provided valuable opportunities for developing shared understanding, responding to feedback on our plans and priorities, and working together towards a better informed and tested Revenue Proposal.

Among the attachments to our Revenue Proposal is a *Customer Engagement Outcomes Report*, which provides an overview of the engagement undertaken and the outcomes of this process. A copy of this report is enclosed for your reference.

Our Consumer Advisory Panel is currently preparing its own report on the outcomes of its engagement on our Revenue Proposal by the end of February 2022, as agreed with the AER. This report will be shared with the AER and CCP members when available.

We look forward to working closely with the AER as it reviews and assesses our Revenue Proposal, which I am confident would deliver an outcome in the long-term interests of South Australian electricity customers.

Our Revenue Proposal comprises a *Revenue Proposal Overview* supported by fourteen Attachments, which address the matters to be covered in the corresponding decision documents by the AER. I enclose a copy of the *Revenue Proposal Overview* for your reference. The full body of material supporting our Revenue Proposal has been submitted to the AER via a secure download facility.

In the interests of transparency, we confirm our consent to the full disclosure of the information we have not identified as confidential under the Rules. We have limited our confidentiality claims to material that is of a strictly commercially sensitive or legally privileged nature that could, for example, prejudice future competitive tendering processes if disclosed.

We look forward to briefing members of the AER Board on our Revenue Proposal at our scheduled meeting on 3 March 2022. In the meantime, should you require any further information in connection with our Revenue Proposal, please contact Simon Appleby on (08) 8404 7324 or Jeremy Tustin on (08) 8404 7580.

Yours sincerely



Rainer Korte  
**Interim Chief Executive**

cc: Sebastian Roberts, General Manager Expenditure  
Lynley Jorgensen, Director

Encl. Revenue Proposal Overview  
Customer Engagement Outcomes Report