



Your ref:  
Our ref: ENET018 Confidential

28 March 2017

Michelle Groves  
Chief Executive Officer  
Australian Energy Regulator  
Level 35, The Tower  
360 Elizabeth Street  
MELBOURNE VIC 3000

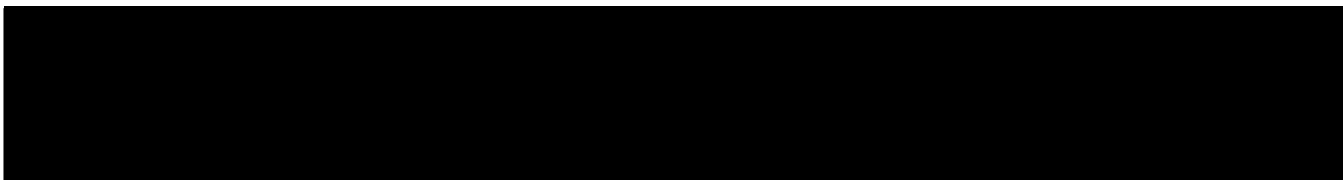
Dear Michelle

**re: Proposed Averaging Periods - CONFIDENTIAL**

The purpose of this letter is to propose averaging periods for determining ElectraNet's return on equity and return on debt for the purposes of our forthcoming regulatory control period from 1 July 2018 to 30 June 2023.

**Return on Equity- risk free rate averaging period**

ElectraNet proposes the following risk free rate averaging period for the purposes of calculating the return on equity:

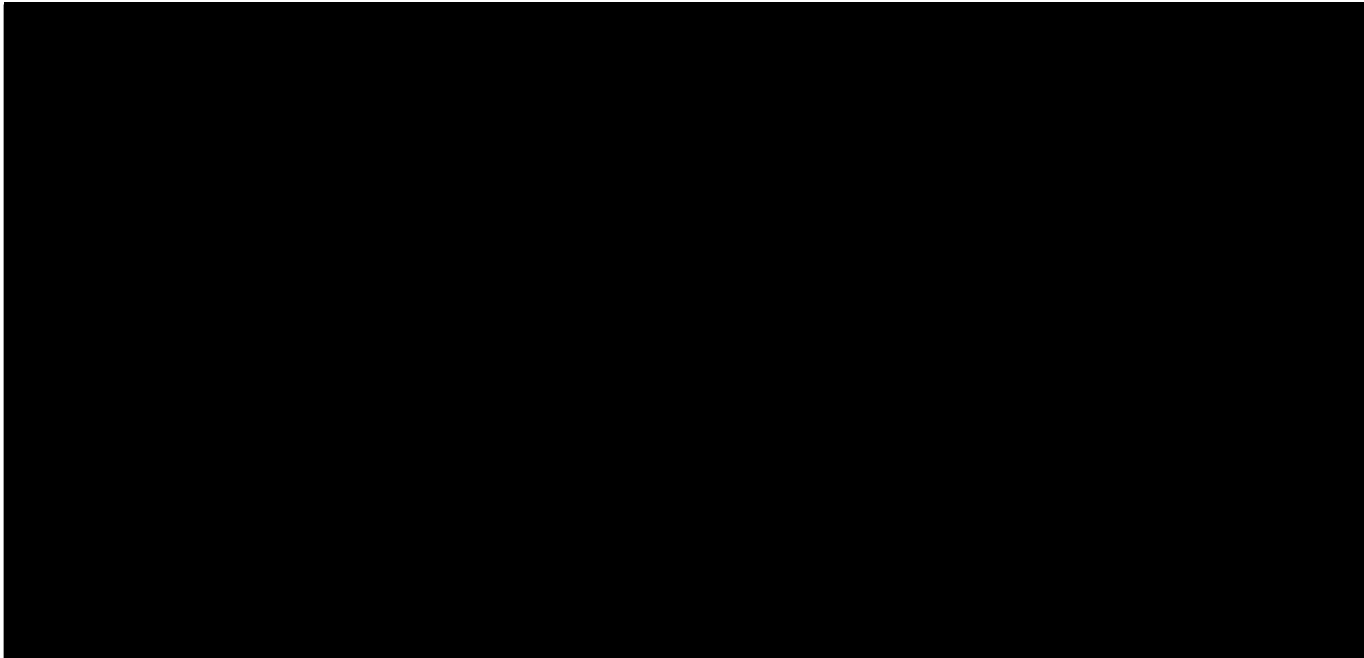


**Return on Debt averaging periods**

ElectraNet proposes the following return on debt averaging periods to apply for each regulatory year of the regulatory control period.



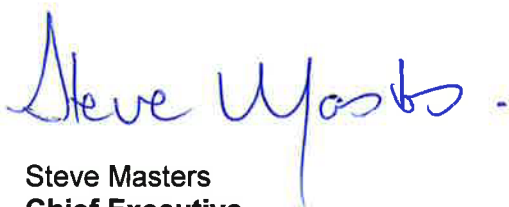
Nominated averaging period	Regulatory year
[Redacted content]	



ElectraNet requires that these averaging periods be kept confidential in accordance with the AER's Rate of Return Guidelines and Confidentiality Guidelines under the Rules. We understand that confidentiality will only be maintained until the expiration of the respective agreed periods.

Please contact Simon Appleby on (08) 8404 7324 to discuss any queries in relation to this matter.

Yours sincerely

  
Steve Masters  
Chief Executive

