

8 October 2009

Mr Chris Pattas
General Manager - Network Regulation South Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

By email: chris.pattas@aer.gov.au

Dear Chris,

Contingent Project Application – Adelaide Central Reinforcement Project

Please find enclosed a contingent project application for the Adelaide Central Reinforcement (ACR) line works project, submitted pursuant to section 6A.8.2(a) of the National Electricity Rules (NER).

This application provides the forecast capital and incremental operating expenditure required to undertake this project, and seeks the approval of the AER to amend the current revenue determination of ElectraNet to allow for the corresponding incremental revenue required in each remaining year of the regulatory control period from 1 July 2008 to 30 June 2013.

Formal lodgement of the application with this letter follows the informal pre-lodgement process undertaken in accordance with the AER's contingent project process guideline during which background information and briefings were provided on the project, together with detailed information on the assessment undertaken in accordance with the Regulatory Test.

I confirm that the remaining trigger event for this project has now occurred with the receipt of the Development Approval required for the line on 23 September 2009. Consistent with the NER and timing requirements of the AER, we are submitting this application at the earliest possible opportunity, which will enable consideration and approval by mid-November 2009.

The enclosed material comprises the contingent project application addressing the requirements of section 6A.8.2(b) of the NER in a form suitable for public consultation, together with the financial models used to derive the capex, incremental opex and incremental revenue requirements for the project, which are submitted on a confidential basis.

We look forward to your advice that this application conforms to the requirements of sections 6A.8.2 (a) and (b).

ElectraNet is also submitting a confidential supplementary report addressing your detailed information request of 31 August 2009, and providing a range of supporting information to assist in reviewing the application. As this material includes commercially sensitive tender related information, this supplementary report is submitted on a strictly confidential basis.

We trust that the information provided adequately addresses the matters the AER is required to consider under the NER, and look forward to your advice on any further information or documentation needed to complete the formal assessment of this application.

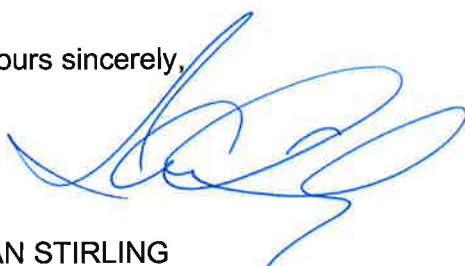
Officers of ElectraNet are also available to provide any further briefings required on the application, or to address specific queries. As a matter of due process, we would ask that you address any questions or requests for further information to the following email address:

revenue.reset@electranet.com.au

We look forward to continuing to work with you to bring the review of this contingent project application to a successful conclusion on a timely basis.

Should you wish to discuss any matters in relation to this application, please feel free to contact Simon Appleby in the first instance on 08 8404 7324 or 0438 286 570.

Yours sincerely,



IAN STIRLING
CHIEF EXECUTIVE OFFICER

Encl.