



Ref: NL:JC 20230131

31 January 2023

Ms Clare Savage  
Chair  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

Dear Ms Savage

### **Essential Energy's 2024–29 Regulatory Proposal**

I am pleased to submit Essential Energy's Regulatory Proposal for the period 1 July 2024 to 30 June 2029, seeking a real increase in distribution network charges of 2.97 per cent per annum.

Our proposal is informed by a comprehensive program of customer and stakeholder co-design and collaboration. This collaboration identified that network safety, affordability and reliability continue to be key priorities for our customers. In addition, customers also expect our network to be resilient to climate impacts and flexible enough to accommodate new and emerging technologies. Our proposed introduction of two-way pricing aims to encourage customers to use the network in more efficient ways, resulting in lowering the long-term average network charges for our customers.

Increases in interest rates and inflation are the primary contributors to the increase in proposed charges above those detailed in our Draft Proposal. Our customers strongly support the proposed investments, which will be critical to ensuring Essential Energy's network keeps pace with the forecast levels of renewable generation, changing customer requirements and increasing climate variability.

We have appreciated the opportunity to be a part of the Australian Energy Regulator's (AER's) inaugural Early Signals Pathway. During 2023 we will continue to consult with our customers, particularly on tariffs, and the customer service incentive scheme. And, of course, we will continue working with the AER staff as they progress with their targeted review of specific areas of our proposal. Refinements from these continued engagements will be reflected in the Revised Proposal we expect to submit later in 2023.

As required, our proposal and the range of supporting documents are attached and include the following:

- Customer fact sheet
- Customer overview of our Regulatory Proposal and Tariff Structure Statement
- Regulatory Proposal along with our Tariff Structure Statement, other attachments and supporting information
- Response to the AER's Regulatory Information Notice of 26 October 2022 and attachments
- Compliance checklist (Attachment 1.01) demonstrating how we have complied with National Electricity Rules requirements.

If you would like to discuss our Regulatory Proposal in more detail, please do not hesitate to contact me on [REDACTED], or our Head of Regulatory Affairs, Natalie Lindsay, on [REDACTED] or at [REDACTED].

I look forward to continuing the open and collaborative discussions with the AER, our stakeholders and customers on this critical proposal.

Yours sincerely

A handwritten signature in black ink, appearing to be 'John Cleland', with a long horizontal flourish extending to the right.

John Cleland  
**Chief Executive Officer**