



Ref: fC115956

29 June 2017

Ms Paula Conboy
Chair
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Email: Essentialenergy2019@aer.gov.au
CC: Moston.Neck@aer.gov.au

Dear Paula

Expenditure Forecasting Methodology

In accordance with the requirements of the National Electricity Rules, Essential Energy is pleased to submit for your consideration its expenditure forecasting methodology.

The expenditure forecasting methodology is designed to inform the Australian Energy Regulator (AER) of the approach Essential Energy proposes to use to prepare the forecasts of operating expenditure and capital expenditure that will form part of Essential Energy's substantive regulatory proposal for the 2019-2024 period.

If you or your officers have any questions in relation to this expenditure forecasting methodology please contact Natalie Lindsay, Manager Network Regulation, on 02 6589 8419. Alternatively, if I can be of any assistance, please call me on 02 6589 8333.

Yours sincerely

A handwritten signature in black ink, appearing to be "John Cleland", written in a cursive style.

John Cleland
Chief Executive Officer

Attachment: 1. Essential Energy Expenditure Forecasting Methodology | 2019-2014 Regulatory Proposal | June 2017