



31 January 2014

Mr Andrew Reeves
Chair
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Mr Reeves

Transitional Regulatory Proposal

I am pleased to submit Essential Energy's transitional regulatory proposal for the period 1 July 2014 to 30 June 2015. The National Electricity Rules (NER) requires Essential Energy to submit this proposal to the AER by 31 January 2014.

Essential Energy's transitional regulatory proposal comprises the proposal document and the information contained in the appendix and attachments. This transitional regulatory proposal has been prepared in accordance with the requirements of transitional Chapter 6 and Division 2 of Part ZW of Chapter 11 of the NER. It is also relevant to note that we have implemented the substance of the approach preferred by the AER in relation to indicative prices for alternative control services for the transitional year.

Should you require further information, please contact Mr Gary Humphreys, Chief Operating Officer, on 02 6589 8702 or Ms Natalie Lindsay, Manager Network Regulation, on 02 6589 8419.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Vince Graham".

Vince Graham
Chief Executive Officer, Essential Energy