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23 January 2014

Ms Michelle Groves
Chief Executive Officer
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Attention: Rama Ganguli

Dear Ms Groves

Projects that have commenced assessment under the Regulatory Test

In accordance with the requirements of clause 11.50.5(c) of the National Electricity Rules, and section 1.2.2 of the Australian Energy Regulator's (AER) Regulatory Investment Test for Distribution Application Guidelines, Essential Energy submits to the AER the list of projects it has commenced assessing under the Regulatory Test. The list of projects is included as an Appendix to this letter.

If you or your officers have any questions in relation to this submission please contact David Mattson, Group Manager Regulatory Compliance, on 02 6042 3386.

Yours sincerely

Luke Jenner
Acting Chief Operating Officer

Appendix - Essential Energy Distribution Projects where Regulatory Test commenced before 1 January 2014

Project Title	System Limitation	Preferred least cost option	Status/Comments
Augmentation of electricity supply to the Forster, Tuncurry Area, NSW.	Thermal overload on feeder 867 from Taree to Failford and substandard voltage at Bohnock and Forster zone substations for loss of feeder 868.	Establish a 132/66kV subtransmission substation near Hallidays Point.	The Regulatory Test and associated Consultation process as required under the National Electricity Rules (NER) was completed in 2012. The Project has commenced with the acquisition of a substation site and powerline easements underway. The timing of the Project based on recent demand forecasts is under review, and is now likely to be deferred.
Augmentation of electricity supply to the Quirindi area, NSW.	N-1 security of supply (combined load greater than 15MVA) for seven zone substations for the loss of 66kV feeder 813 from Tamworth.	Initially construct a second 66kV powerline from Tamworth to Werris Creek, then in the future construct a second 66kV powerline from Werris Creek to Quirindi.	The Regulatory Test and associated consultation process, as required under the NER, was completed in the latter half of 2013. The Project has commenced with the acquisition of some powerline easements underway. The timing of the Project was driven by the requirement to comply with the NSW N-1 Licence Conditions, however due to recent demand forecasts the project timing is under review, and is now likely to be deferred.
Augmentation of electricity supply to Cobar, NSW.	Voltage regulation and thermal limitations on the 66kV supply to Cobar Town.	Install a 66kV Voltage Regulator and upgrade the 811 66kV feeder supplying Cobar.	An economic cost effectiveness analysis of possible options was carried out in mid-2013 with the chosen option satisfying the Regulatory Test as was required under section 5.6.2 of the NER. A substation site is being negotiated and preparations are being made for final capital approval.
Augmentation of electricity supply to Gloucester, NSW.	Thermal and voltage regulation limitations in the 33kV network emanating from Stroud that supplies Gloucester zone substation.	Establish a 132/66kV subtransmission substation near Gloucester (Initially a 132kV tee-ed single transformer substation).	An economic cost effectiveness analysis of possible options was carried out in early 2013 with the chosen option satisfying the Regulatory Test as was required under section 5.6.2 of the NER. The Project is in the preliminary design phase and a substation site is under negotiation. Project urgency is also dependent upon a proposed new spot load development which requires NSW Department of Planning approval.
Tharbogang, NSW.	Voltage and thermal limitations supplying Tharbogang Zone Substation for loss of feeder 79P or 79R.	Reconstruct part of the Goolgowi feeder as dual circuit to provide an additional feeder from Griffith Town Zone Substation to Tharbogang. Feeder will be 132/33 kV construction in anticipation of future Griffith West 132 kV supply point.	An economic cost effectiveness analysis of possible options was carried out in late 2012 with the chosen option satisfying the Regulatory Test as was required under section 5.6.2 of the NER. The Project was given in-principle approval in late 2012 and line route investigation has commenced.