

28 February 2007

Mr Chris Pattas
General Manager
Network Regulation South Branch
Australian Energy Regulator
Level 42 The Tower
360 Elizabeth Street
Melbourne VIC 3000

Dear Chris,

SP AusNet Electricity Transmission Revenue Proposal

Please find attached SP AusNet's Electricity Transmission Revenue Proposal and supporting documentation for the forthcoming regulatory period, from 1 April 2008 to 31 March 2014, in accordance with the requirements of Chapter 6A of the National Electricity Rules.

We have proposed a six-year regulatory period on this occasion to assist SP AusNet in resourcing the revenue determination process, by avoiding coincident reviews. We consider that this will also assist the AER in smoothing resource requirements in the future.

The attachments are the;

- Revenue Proposal and Supporting Appendices
- Negotiating Framework;
- Pricing Methodology;
- AER Templates;
- PTRM and ABRFM;
- Directors Responsibility Statement; and
- Transmission System Diagram.

Please note that Appendix F of the Revenue Proposal is not attached, it will be provided in the near future.

SP AusNet has made its best endeavours to ensure that this material satisfies the requirements of the AER's Submission Guidelines published in January 2007. SP AusNet would welcome the opportunity to meet with representatives of the AER to discuss the proposal and any matters the AER may consider are not covered.

There is also a substantial quantity of additional material that is available for the AER's engineering reviews that will be provided in due course.

SP AusNet would be pleased to discuss the proposal with the AER. To arrange for any discussions related to the proposal and the supporting material, please contact either our Transmission Regulation Manager, Tom Hallam on telephone 03 9695 6617 or our Economic Regulation Manager, Patrick Murphy on 03 9695 6623.

Yours sincerely,



Charles Popple
General Manager, Regulation and Business Strategy
SP AusNet