

Our Ref: D13/56866

Your Ref:



29 November 2013

Mr Chris Pattas  
General Manager, Network Operations and Development  
Australian Energy Regulator  
GPO Box 520  
MELBOURNE VIC 3011

Dear Chris

**Transend's 2014–19 Revenue Reset Expenditure Forecasting Methodology**

The National Electricity Rules require Transend to submit the proposed methodologies to forecast prescribed capital expenditure and operating expenditure for the forthcoming regulatory control period by the 30 November 2013.

Accordingly the attached advises of the methodologies we intend to adopt in our revenue proposals to be submitted in 2014.

We do not expect our forecasting methodologies to change prior to lodging our revenue proposals. However, as you are aware, the AER is presently finalising a number of documents under its 'Better Regulation' program. The AER's final forecast expenditure assessment guideline, framework and approach paper, and any regulatory information notice or order requirements may impact on the forecasting methodologies outlined in this paper. The rationale for any changes to our forecasting methodologies will be explained in the full Revenue Proposal.

If you have any queries regarding this matter, please contact Michael Seddon on (03) 6274 3857 or by email to [Michael.Seddon@transend.com.au](mailto:Michael.Seddon@transend.com.au).

Yours sincerely

Peter Clark  
Chief Executive Officer