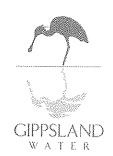
Our reference: Your reference 03/04/02/17



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Mr Sean Crees Director Regulation Water Essential Services Commission Level 2, 35 Spring Street Melbourne 3000

Dear Sean

GIPPSLAND WATER - FINAL WATER PLAN FOR THE 2008 - 2013 REGULATORY PERIOD

Please find attached a copy of Gippsland Water's final Water Plan. This plan is a document that largely looks forward, focusing on the outcomes to be delivered for the regulatory period, and the expenditure, for both operational and capital investment purposes, that is needed to deliver those outcomes. One major exception, augmentation for the Moondarra system, remains an area of uncertainty, which has been excluded from this final Water Plan.

Of particular interest to all parties is the impact that these proposed outcomes and expenditures will have on the cost to customers for the supply of water and sewerage services during the regulatory period. The 2008 Water Price Review process provided for a period of consultation with customers, regulators and the Minister for Water on the Water Plan, including the outcomes that Gippsland Water is seeking to deliver, the cost of those outcomes, and the impact on tariffs for services. This final Water Plan outlines the consultation process, the feedback received, and the changes made to the draft Water Plan released in early August 2007.

Gippsland Water looks forward to working with the Essential Services Commission to support the review process leading to the release of a draft decision in early March 2008.

Yours sincerely,

øhn Mitchell

MANAGING DIRECTOR

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