



Australian Competition & Consumer Commission

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Mr Rainer Korte  
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Dear Rainer

**Application of the service standards incentive scheme for 2003**

I am pleased to inform you of ElectraNet's service standards incentive to be included in the calculation of its maximum allowed revenue (MAR) for the financial year 2004-05.

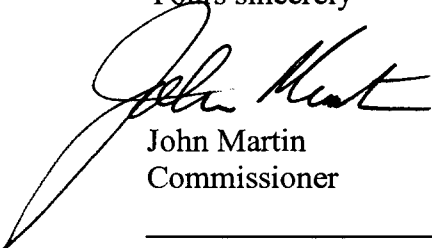
The ACCC engaged Sinclair Knight Merz (SKM) to audit and report on ElectraNet's performance results for the calendar year 2003. Your cooperation in the early stages of implementing the service standards regime is much appreciated by the ACCC.

As discussed with you, the ACCC has accepted SKM's recommendation. Accordingly the ACCC considers that an increase of \$1,118,748 for ElectraNet's revenue cap for 2004-05 will comply with its revenue cap decision<sup>1</sup>. In reaching this conclusion the ACCC considered the revenue cap decision, service standards guidelines<sup>2</sup>, SKM's report and ElectraNet's communications.

I am very pleased to note that ElectraNet has earned this reward as a result of it delivering better service standards than the benchmark set. I am confident that such superior service would have greatly benefited the community.

Should you have any enquiries please call Sabesh Shivasabesan on (02) 6243 1286 or Matthew McQuarrie on (02) 9230 9111.

Yours sincerely



John Martin  
Commissioner

<sup>1</sup> ACCC, *South Australian transmission network revenue caps 2003-2007/08*, 11 December 2002

<sup>2</sup> ACCC, *Statement of principles for the regulation of transmission revenues, Service standards guidelines*, 12 November 2003

