

14 May 2008

Mr Chris Pattas
General Manager
Network Regulation South Branch
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Dear Mr Pattas

ActewAGL Response to Proposed National Guidelines, Models and Schemes

Thank you for the opportunity to comment on the Australian Energy Regulator's (AER's) proposed national guidelines, models and schemes that will assist in the development of a national regulatory framework for electricity distribution networks.

As you will be aware, ActewAGL Distribution's next price reset operates under transitional arrangements for 2009-14. In the context of the development of the transitional arrangements, ActewAGL Distribution has provided the AER with its position on the post-tax revenue model and the efficiency benefit sharing scheme in its January 2008 response to the AER's first Preliminary Positions Paper for NSW and ACT distributors. ActewAGL Distribution notes that the cost allocation method submitted under the transitional chapter 6 rules will apply to future regulatory periods, subject to amendments allowed by clauses 6.15.4(f) and 6.15.4(g) of the National Electricity Rules.

ActewAGL Distribution's responses to the proposed service target performance incentive scheme and the roll forward model are provided in the attached document.

Please contact David Graham, Director Regulatory Affairs and Pricing, on (02) 6248 3605 if you would like to discuss our response further.

Yours sincerely



John Knox
Acting Chief Executive Officer