

ActewAGL House 221 London Circuit Canberra ACT 2600 • GPO Box 366 Canberra ACT 2601

Telephone 13 14 93 Facsimile 02 6249 7237 www.actewagl.com.au

29 January 2008

Mr Mike Buckley General Manager Network Regulation North Australian Energy Regulator GPO Box 3131 CANBERRA ACT 2601

Dear Mr Buckley

ActewAGL Response to AER Preliminary Positions Paper

Thank you for the opportunity to respond to the *Preliminary Positions Paper - Matters Relevant to Distribution Determinations for ACT and NSW DNSPs for 2009-2014*. ActewAGL supports the AER's preliminary positions on a demand management incentive scheme and the control mechanism for alternative control services. However, ActewAGL continues to have concerns regarding the AER's preliminary position on the materiality threshold for possible pass through events and we explain the basis for our view in the attached submission.

ActewAGL looks forward to working closely with the AER to resolve this and the other outstanding matters in the limited time before our regulatory submission is due, and note that we will be receiving the final decisions on the Post Tax Revenue Model and Roll Forward Model that will apply to the ACT review by 1 February 2008.

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

Yours sincerely

J. A. Mackay

Chief Executive Officer