

23 October 2014

Mr Warwick Anderson
General Manager
Networks
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Dear Mr Anderson

Negotiated Distribution Service Criteria for ActewAGL Distribution

Thank you for the opportunity to comment on the AER's proposed Negotiated Distribution Service Criteria (NDSC) to apply to ActewAGL Distribution from 1 July 2015 to 30 June 2019.

Under clause 6.7.4(b) of the National Electricity Rules (NER) the NDSC must give effect to and be consistent with the negotiated distribution service principles set out in clause 6.7.1 of the NER.

ActewAGL Distribution has reviewed the AER's proposal and is satisfied that it addresses and is consistent with each of the principles in clause 6.7.1 of the NER. In terms of giving effect to the principles, ActewAGL Distribution suggests that the AER consider clarifying the meaning of the term "fair and reasonable" in criterion 2 by adding the words "the price for a negotiated distribution service is to be treated as being fair and reasonable if it complies with criteria 5 to 11". This would be consistent with clause 6.7.1(9) of the NER.

ActewAGL Distribution also notes that the proposed NDSC is similar (aside from some differences in terminology) to the Negotiable Components Criteria that has applied to ActewAGL Distribution for the 2009-14 regulatory period and the transitional regulatory period. The proposed NDSC is also the same as the proposed NDSC for the New South Wales DNSPs. ActewAGL Distribution considers that, in relation to the NDSC, consistency over time and across DNSPs is appropriate.

ActewAGL Distribution therefore considers that the AER's proposed NDSC is appropriate and consistent with the requirements in the NER.

Please contact Bjorn Tibell on 6248 3639 should you have any queries in relation to this submission.

Yours sincerely



David Graham
Director Regulatory Affairs and Pricing