

14 May 2008

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

Dear Mr Pattas

Proposed Electricity Distribution Network Service Providers:

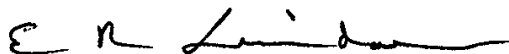
- Post-tax Revenue Model
- Efficiency Benefit Sharing Scheme

This letter is in response to the AER's proposed post-tax revenue model and the proposed efficiency benefit sharing scheme.

As we have responded in depth to the Issues Papers released by the AER we have kept our remarks in the attached paper deliberately at a high level and have focussed on key concerns.

Should you have any questions with respect to any matters raised then please contact Patrick Makinson on 08 84045865 or Eric Lindner on 08 84045694.

Yours sincerely



Eric Lindner
General Manager Regulation and Company Secretary