

19 February 2014

Mr Warwick Anderson
General Manager, Network Regulation
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601



Dear Mr Anderson

Energex's Response to the AER's Framework and Approach Preliminary Positions

Energex welcomes the opportunity to respond to the AER's Framework and Approach Preliminary Positions paper and appreciates the availability we have had to date, to engage with the AER on the development of the Framework and Approach. Energex looks forward to further engaging with the AER prior to the final decision being released.

Energex's response (attached) provides detailed comments on the AER's Preliminary Positions paper particularly in relation to the proposed classification of distribution services, application of schemes and form of control mechanisms. It also sets out our proposed initial averaging period, which will be used in determining the nominal return on debt in 2015–16, and our proposed approach to nominating the remaining annual averaging periods for the next regulatory control period in our Regulatory Proposal. In accordance with the AER's Rate of Return Guideline, the agreed averaging periods are to be kept confidential and as such have been redacted in our public response. Please also find attached Energex's completed confidentiality template.

Should you have any questions in relation to Energex's response please do not hesitate to contact Mr Neil Andersen, Group Manager Regulation and Pricing on (07) 3664 4009.

Yours sincerely

Kevin Kehl
Executive General Manager
Finance, Regulation and Strategy

Enquiries
Neil Andersen
Telephone
(07) 3664 4009
Facsimile
(07) 3664 9805
Email
neilandersen
@energex.com.au

Corporate Office
26 Reddacliff Street
Newstead Qld 4006
GPO Box 1461
Brisbane Qld 4001
Telephone (07) 3664 4000
Facsimile (07) 3025 8301
energex.com.au

Energex Limited
ABN 40 078 849 055