

24 September 2008



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

Dear Mr Pattas,

ENERGEX's Response to the AER's Issues Paper - Review of the Weighted Average Cost of Capital (WACC) Parameters for Electricity Transmission and Distribution.

ENERGEX appreciates the opportunity to comment on the AER's Issues Paper covering the Weighted Average Costs of Capital Review.

ENERGEX supports and affirms the network industry submission made by the Energy Network Association, Australian Pipeline Industry Association and Grid Australia.

ENERGEX has one additional point to make in relation to the "agreed period" defined in Clause 6.5.2 (c) (2) (i) of the National Electricity Rules. In response to the AER's specific question (Reference 4.7 of the Issues Paper), ENERGEX believes that a period duration of 5 to 40 days as nominated by the Distribution Network Service Provider is appropriate taking into account the various funding and debt management arrangements within the national electricity market as well as the impact of the financial markets.

Should you have any queries in relation to this submission, please do not hesitate to contact me directly on (07) 3223 1703.

Yours sincerely

A handwritten signature in blue ink that reads "Kevin Kehl".

Kevin Kehl
Director Revenue Strategy

Enquiries
Kevin Kehl
Telephone
07 3229 1703
Facsimile
(07) 3229 1923
Email
kevinkehl
@energex.com.au

**Network Programming
and Procurement**
2/229 Elizabeth St,
Brisbane, Qld 4000

Corporate Office
150 Charlotte Street
Brisbane Qld 4000
GPO Box 1461
Brisbane Qld 4001
Telephone (07) 3407 4000
Facsimile (07) 3407 4609
www.energex.com.au

Reference: RS08-021

ENERGEX Limited
ABN 40 078 849 055