



25 September 2008

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

FILE No:
DOC: 2008/99797
MARS/PRISM:

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Dear Mr Pattas

AER Issues Paper – Review of the weighted average cost of capital (WACC) parameters for electricity transmission and distribution

Ergon Energy welcomes the opportunity to respond to the Australian Energy Regulator's (AER) review of the weighted average cost of capital (WACC) parameters for electricity transmission and distribution.

Ergon Energy owns and manages the electricity distribution network servicing regional Queensland. We service around 644,000 customers utilising a network consisting of around 150,000km of powerlines and 1 million poles. We also own and operate 33 isolated power stations servicing the needs of remote areas of the State not connected to the national electricity grid.

Ergon Energy is a member of the Energy Networks Association (ENA) the peak national body for Australia's energy networks. The ENA, in conjunction with Grid Australia and the Australian Pipeline Industry Association have prepared a comprehensive submission addressing each of the questions raised by the AER in the Issues Paper.

Ergon Energy fully supports the arguments contained in the Industry Submission and would welcome the opportunity to participate in any consultation that will occur as the WACC parameter review progresses.

Please do not hesitate to contact me if you would like to discuss this matter further

Yours sincerely

Tony Pfeiffer
General Manager Regulatory Affairs

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