

Mr Chris Pattas
General Manager
Network Regulation South Branch
Australian Energy Regulator
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14 May 2008



Dear Mr Pattas

The Commission is pleased to provide the AER with a submission for the AER's review of guidelines, models, and schemes to be implemented by the AER in the forthcoming regulatory reviews, including the review of ActewAGL distribution services in the ACT. The Commission has previously provided the AER with advice and guidance on the cost allocation methodology and models as part of the forthcoming review. The attached submission addresses the proposed service target performance incentive scheme and efficiency benefit sharing scheme.

The Commission has no objections to the attached submission appearing on the AER's website with other submissions on these schemes. If you would like to discuss the Commission's views on the service target performance incentive scheme and the efficiency benefit sharing scheme, the Commission would be happy to do so. Please contact John Logan on (02) 6205-0799.

Yours sincerely



Paul Baxter
Senior Commissioner



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