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Dr John Tamblyn
Chairperson
Essential Services Commission
Level 2, 35 Spring Street
Melbourne Victoria 3000

28 January 2005
Re: AGLE Response to EDPR 2006 Issues Paper

Dear Dr Tamblyn

AGL Electricity Limited (AGLE) provides the attached document in response to the Commission's Electricity Distribution Price Review Issues Paper.

AGLE has particular concerns with the views expressed in the Issues Paper regarding the cost of compliance with the Safety Regulations and the approach adopted for the forecasting of operating and capital expenditure.

AGLE, in its price-service proposal, proposed a statistical approach to the calculation of WACC. AGLE notes that this proposal was not discussed in the Issues Paper.

AGLE is aware that the Commission has engaged a number of consultants to assist it in assess the distributors proposals. AGLE request that the Terms of Reference under which the consultants are engaged be made available to assist AGLE to provide the consultants with the information and support required.

If you wish to discuss any matter raised in this response, please contact me.

Kind regards,

Rohan Jones
Manager Regulatory Affairs
Electricity Networks