

Mr E J Hall  
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Queensland Competition Authority  
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Attention: Gary Henry

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Dear Mr Hall

### **Service Quality Incentive Scheme for Electricity Distribution Services in Queensland**

Thank you for your letter of 16 February 2004 and the opportunity provided to TransGrid to comment on this important issue. As you are probably aware, TransGrid is not in the Electricity Distribution business in NSW, and as such can only provide general comments. We request that the Queensland Competition Authority (QCA) consider these views in such light.

1. Quality measures should be realistic, and flexible, so as allow for "*force majeure*" and exogenous factors in any practical incentive scheme.
2. The importance of reliability aspects and measures for distribution businesses should not be underestimated, as inferred in page 1 of your report.
3. The QCA should consider monitoring all Transmission development work undertaken by the ACCC Service Standards Working Group, as this Group endeavours to assist the Ministerial Council on Energy accomplish its market-based transmission performance/incentive measures by July 2004.

Should you wish to discuss any of the above issues, please feel free to contact me on (02) 9284 3434, or via e-mail at [phil.gall@transgrid.com.au](mailto:phil.gall@transgrid.com.au)

Yours sincerely

*Philip Gall 12/3/04*

Philip Gall  
Manager/Regulatory Affairs