

19 October 2007

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DATE RECEIVED

Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001



Attention: Moston Neck

Dear Mr Neck

Electricity Distribution: Review of Excluded Distribution Services

Thank you for providing ENERGEX Limited (ENERGEX) with an opportunity to comment on the Queensland Competition Authority's (QCA) *Draft Decision – Electricity Distribution: Review of Excluded Distribution Services*.

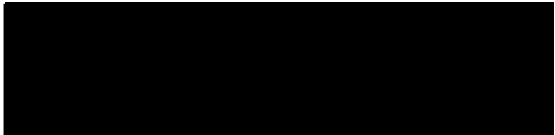
In light of the recent institutional and structural developments in the Queensland energy market, and their impact on the revenue cap regulatory framework, ENERGEX supports the QCA's proposal to:

- re-classify those non-DUOS services, currently included in the revenue caps, as excluded distribution services with effect from 1 July 2007; and
- regulate those non-DUOS services in a more light-handed manner.

The proposed three-part regulatory framework seeks to provide customers with an understanding of how prices for excluded distribution services have been determined. In this context, ENERGEX accepts transparency as an important regulatory principle. However, it notes that, in demonstrating the derivation of these prices, it will be required to provide the QCA with commercially-sensitive information. ENERGEX considers that confidentiality of data is an important consideration in the decision as to the level of public disclosure.

ENERGEX looks forward to working co-operatively with the QCA in finalising its revision of the regulatory framework. Should you have any questions in relation to this matter, please refer them to Steve Williams, Regulatory Affairs Manager – Operations on (07) 3407 4354.

Yours sincerely



Louise Dwyer
Group Manager, Regulatory Affairs

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