



**ActewAGL**  
Always.

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24 October 2008

Mr Mike Buckley  
General Manager  
Network Regulation North Branch  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

Dear Mr Buckley

***ActewAGL Response to draft decision on Gas Annual Compliance Order***

Thank you for the opportunity to comment on the Australian Energy Regulator's (AER's) draft decision on the Gas Annual Compliance Order.

ActewAGL Distribution has reviewed the proposed draft Annual Compliance Order and provides the following comments in two specific areas.

Regulatory Information Instrument assurances

ActewAGL Distribution considers it important for the AER to apply an approach which is both reflective of the frequency of data collection, and the intended use of the information being sought. For these reasons ActewAGL does not support the AER's intended approach for its gas network business.

After consultation on its proposed approach for electricity networks, the AER issued a Regulatory Information Notice for the 2009-14 ActewAGL Distribution network pricing review that arrived at an approach acceptable to ActewAGL. It involved a Chief Executive Officer (CEO) statutory declaration that information provided was complete and accurate in all material respects.

The approach adopted by the AER for annual compliance reporting should be commensurate with this approach and take into account the frequency and type of information to be provided. ActewAGL Distribution considers that a certification statement signed by the CEO would be sufficient for annual compliance reporting.

Financial reports to the Australian Securities Investments Commission

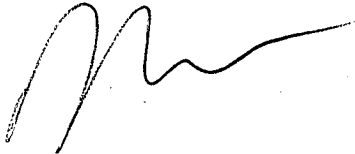
The Draft Annual Compliance Order requires service providers to give the AER a copy of their most recently lodged financial reports with the Australian Securities and Investments Commission (ASIC).

As a partnership, ActewAGL Distribution is not required to lodge financial statements with ASIC. Instead, the ActewAGL Distribution partnership is required to prepare special purpose financial statements under section 32 of the *ACTEW/AGL Partnership Facilitation Act 2000* (ACT) (the Act). The Act requires annual financial statements to be audited jointly by the ACT Auditor-General and another independent auditor.

The ActewAGL Distribution audited special purpose financial statements can be provided to the AER on a commercial-in-confidence basis by the 31 October compliance reporting deadline. ActewAGL Distribution is also able to provide the AER with a concise public version of the financial report if this is deemed necessary.

In regards to both these issues, ActewAGL Distribution suggests a specific discussion where this would help to quickly establish a workable outcome for both parties. Ms Alexandra Curran, Senior Regulatory Adviser can be contacted on (02) 6248 3190.

Yours sincerely

A handwritten signature in black ink, appearing to be 'David Graham', with a long horizontal flourish extending to the right.

David Graham  
Director Regulatory Affairs and Pricing