

19 March 2009

Mr Steve Edwell
Chairman
AER
Level 35, The Tower
360 Elizabeth Street
MELBOURNE VIC 3000

Dear Steve

Thank you for making the time available yesterday to meet with ENA representatives regarding concerns on the AER's Review of the Weighted Average Cost of Capital. As we pointed out at the meeting the industry stands by its previous response to the AER's proposals, but felt that it needed to expand on the impact of the Global Financial Crisis and the implications for the Review process currently on foot.

We felt there was a positive discussion and we appreciated the opportunity to put our views.

As promised, I attach a short paper which summarises the position put by the ENA at our meeting. As discussed, this should be considered in conjunction with the market evidence provided by the NSW Treasury Corporation, which I tabled yesterday.

Yours sincerely



GEORGE MALTABAROW
Chairman