

30 October 2009



Mr Chris Pattas
General Manager
Network Regulation South
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3000

Dear Mr Pattas

**AER proposed Service Target Performance Incentive Scheme –
September 2009**

ENERGEX welcomes the opportunity to comment on the Australian Energy Regulator's (AER's) proposed Service Target Performance Incentive Scheme (STPIS) – September 2009.

ENERGEX has provided submissions to previous consultation processes on versions 1.0 and 1.1 of the STPIS, which were published by the AER on 26 June 2008 and 8 May 2009 respectively.

ENERGEX supports a robust and transparent approach to the development of a national scheme designed to incentivise improved service performance over time. Such an approach fosters regulatory certainty by allowing affected businesses to analyse and evaluate the impact of such a scheme on their ability to deliver a commercially balanced outcome for their customers and owners.

In this context, ENERGEX is concerned that the scope and timing of the incremental changes that have been made to version 1.0 of the STPIS has reduced regulatory certainty for ENERGEX. This is noted alongside the continued uncertainty regarding the content and consultation timeframes associated with of the AER's proposed Regulatory Information Order.

The attached submission document provides ENERGEX's comments relating to abovementioned procedural issues as well as specific comments on the technical operation of the proposed STPIS.

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Should the AER wish to discuss any aspect of our submission, please contact Louise Dwyer, Group Manager Regulatory Affairs on 07 3407 4161.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Kehl', with a stylized, cursive script.

Kevin Kehl

Executive General Manager Strategy and Regulation