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13 February 2015

Mr Warwick Anderson
General Manager
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Email: NSWACT@aer.gov.au

Dear Mr Anderson

**SUBMISSION ON THE DRAFT DECISIONS FOR NSW AND ACT DISTRIBUTORS
2015–16 TO 2018–19**

Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider (DNSP) in Queensland, welcomes the opportunity to provide comments to the Australian Energy Regulator (AER) on its Draft Decisions for the New South Wales (NSW) and Australian Capital Territory (ACT) DNSPs for the 2015–16 to 2018–19 period.

Ergon Energy is interested in the determinations for NSW and the ACT given the coincidence of timing with our own regulatory determination process and indications from the AER that it intends to apply similar assessment and benchmarking techniques in Queensland. Our submission outlines our concerns in relation to a number of common areas, such as the AER's calculation of the allowed rate of return and its use of benchmarking.

In addition to our submission, we have provided a number of expert reports supporting our concerns. Several of these reports have been jointly commissioned with other network service providers.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact Graeme Finlayson on (07) 4432 8669 or 0418 763 602.

Yours sincerely

A handwritten signature in black ink, appearing to read 'I. McLeod'.

Ian McLeod
Chief Executive