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Your Ref:

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Mr Alan Tregilgas
Commissioner
Utilities Commission
GPO Box 915
DARWIN NT 0801

Dear Mr Tregilgas

RE: DEVELOPING A STANDARDS-OF-SERVICE FRAMEWORK

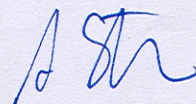
I refer to your discussion paper titled "Developing a Standards-of-Service Framework," which was released for public consultation in August 2004.

The intention of the Commission to undertake measures to align regulatory reporting with respect to standards-of-service, with nationally agreed requirements is supported in principle.

However, Treasury contends that reliability targets and incentive mechanisms should accommodate the special characteristics of the Territory relative to other jurisdictions. Accordingly, the development of non-financial service standards through a collaborative process is endorsed.

Furthermore, in order to minimise regulatory costs and in the interest of good corporate citizenship, compliance with, and public reporting against, agreed service standards by electricity suppliers on a voluntary basis represents a viable alternative to the regulatory framework proposed by the Commission.

Yours sincerely



Tony Stubbin
Acting Under Treasurer

20 December 2004

