

**The Australian Gas
Light Company**
ABN 95 052 167 405

AGL Centre
111 Pacific Highway
North Sydney NSW 2060
Locked Bag 944
North Sydney NSW 2059

Telephone 02 9922 8288
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Your reference: C2004-352
Contact officer: Liam Stewart

5 August, 2004

Mr Tim Grimwade
General Manager, Adjudication
Australian Competition and Consumer Commission
470 Northbourne Avenue
Dickson ACT 2602

Dear Mr Grimwade

**THIRD LINE FORCING NOTIFICATIONS NUMBER N91357, N91358,
N91359 LODGED BY SERVCO PTY LIMITED, AGL ELECTRICITY
LIMITED, AGL RETAIL ENERGY LIMITED**

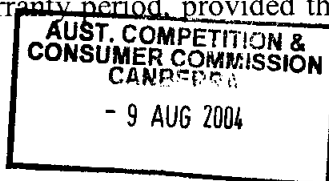
I refer to the above notifications and to your letter of 8 April 2004 addressed to Ms Liza Carver of Gilbert & Tobin.

The ACCC granted legal immunity in respect of the above notifications on 27 February 2004 in respect of the following conduct:

- (a) ancillary services and/or energy appliances to residential customers at certain discounts, allowances, rebates or credits on the condition that customers acquire both natural gas and/or electricity from AGL Retail Energy Limited and/or AGL Electricity Limited, and
- (b) certain discounts, allowances, rebates or credits on the cost of ancillary services or energy appliances on the condition that customers require energy from AGL Retail Energy Limited and/or AGL Electricity Limited.

To date, the notifications have not been revoked.

Servco Pty Limited, AGL Electricity Limited and AGL Retail Energy Limited wish to provide ancillary services to residential customers at a discount, allowance, rebate or credit which may include a benefit of a non-monetary nature, for example, priority scheduling or extended labour warranty period, provided the customer acquires both



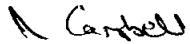
natural gas and/or electricity from AGL Retail Energy Limited and/or AGL Electricity Limited.

It is our view that such non-monetary benefits are either within the ambit of the existing conduct granted immunity under the above notifications or such non-monetary benefits simply reflect an improved customer service to those customers.

For the sake of certainty, we wish to draw to your attention the proposed non-monetary benefits and request that such conduct is considered to be within the general immunity granted by the ACCC in the above notifications.

If the ACCC takes a different view, please let us know.

Yours sincerely

A handwritten signature in black ink, appearing to read "N. Campbell".

Neil Campbell
Corporate Solicitor