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9 June 2017

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Mr Scott Davies and Mr Michael John Bessell  
Directors  
Endeavour Energy Network Asset Partnership  
Level 7, 50 Martin Place  
SYDNEY NSW 2000

Dear Mr Bessell and Mr Davies

**Re: Endeavour Energy Network Asset Partnership - application for exemption and approval of an intermediary; and approval of Endeavour Energy Model Standing Offers**

Thank you for the application for exemption from registration and approval of an intermediary under clause 2.9.3 of the National Electricity Rules (NER) by each of the partners in the Endeavour Energy Network Operator Partnership (ABN 11 247 365 823) (Operator Partnership) and the Endeavour Energy Network Asset Partnership (ABN 30 586 412 717) (Asset Partnership). We understand this application is in relation to Endeavour Energy's electricity distribution system. In this letter we also approve the application dated 11 May 2017 for new or amended Model Standing Offers (MSOs).

The application provides that Endeavour Energy will lease its electricity distribution system to the Asset Partnership and the Asset Partnership will sublease that electricity distribution system to the Operator Partnership. Your application also states that pursuant to clause 2.9.3(a) of the NER, the Asset Partnership is applying to the AER for an exemption from the requirement to register as a Network Service Provider by notifying the AER that pursuant to clause 2.9.3(b)(1) of the NER, the Operator Partnership (the intermediary) is to be registered instead of the Asset Partnership. Also, pursuant to clause 2.9.3(b)(2) of the NER you have provided the written consent of the Operator Partnership to act as an intermediary.

As you may be aware, under clause 2.9.3(c) of the NER, the AER must approve the Operator Partnership as an intermediary if the Australian Energy Market Operator (AEMO) is reasonably satisfied that, from a technical perspective, the Operator Partnership can be treated for the purposes of the NER as the Asset Partnership with respect to Endeavour Energy's electricity distribution system. On 9 June 2017, the AER received written advice that AEMO has approved the registration of the Operator

Partnership in the participant categories of network service provider – (distribution) and distribution system operator.

As the delegate, I am pleased to advise that the AER approves the Operator Partnership as an intermediary under clause 2.9.3(c) and as such, pursuant to clause 2.9.3(b) allows the exemption requested by the Asset Partnership.

The partners in the Asset Partnership subject to this network exemption are:

1. Edwards A Pty Limited (ACN 618 642 961) as trustee for Edwards A Trust;
2. ERIC Epsilon Asset Corporation 1 Pty Ltd (ACN 617 221 575) as trustee for ERIC Epsilon Asset Trust 1;
3. ERIC Epsilon Asset Corporation 2 Pty Ltd (ACN 617 221 655) as trustee for ERIC Epsilon Asset Trust 2;
4. ERIC Epsilon Asset Corporation 3 Pty Ltd (ACN 617 221 708) as trustee for ERIC Epsilon Asset Trust 3; and
5. ERIC Epsilon Asset Corporation 4 Pty Ltd (ACN 617 221 726) as trustee for ERIC Epsilon Asset Trust 4.

The partners in the Operator Partnership subject to this approval of an intermediary are:

1. Edwards O Pty Limited (ACN 618 643 486) as trustee for Edwards O Trust;
2. ERIC Epsilon Operator Corporation 1 Pty Ltd (ACN 617 221 735) as trustee for ERIC Epsilon Operator Trust 1;
3. ERIC Epsilon Operator Corporation 2 Pty Ltd (ACN 617 221 744) as trustee for ERIC Epsilon Operator Trust 2;
4. ERIC Epsilon Operator Corporation 3 Pty Ltd (ACN 617 221 753) as trustee for ERIC Epsilon Operator Trust 3; and
5. ERIC Epsilon Operator Corporation 4 Pty Ltd (ACN 617 221 771) as trustee for ERIC Epsilon Operator Trust 4.

As the delegate, I am pleased to also advise that the AER approves the five revised Endeavour Energy documents as submitted on 11 May 2017, namely:

1. Model Standing Offer for a LV Basic Connection Service;
2. Model Standing Offer for a Micro Embedded Generator Basic Connection Service;
3. Model Standing Offer for an Embedded Network Metering Standard Connection Service;
4. Model Standing Offer for a Standard Connection Service (Subdivision and Asset Relocation); and
5. Model Standing Offer for a Standard Connection Service for Customers.

As AEMO has advised that registration of the Operator Partnership is to take effect from 1 business day after the date that the Asset Partnership notifies AEMO that the transfer of ownership of the facility has taken effect, the amended MSOs will take effect on that same day.

Should you have any questions about my decision, please contact Paul Dunn, Director  
- Networks on 03 9290 1426.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Pattas', with a long horizontal flourish extending to the right.

Chris Pattas  
General Manager - Networks

Sent by email on: 09.06.2017