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17 July 2019

Mr John Skinner Regulatory Policy Manager Strategy and Regulation Division Ausgrid Level 13, 24 Campbell Street Haymarket NSW 2000

By email john.skinner@ausgrid.com.au

Dear Mr Skinner

Proposed revocation and substitution of Ausgrid's distribution determination 2019–2024

On 30 April 2019 the Australian Energy Regulator (AER) made its distribution determination for Ausgrid for the regulatory control period 1 July 2019 to 30 June 2024.

Subsequent to making the determination, and following discussions with yourself and AER staff on 28 June and 8 July 2019, we have become aware of errors in the pre-2009 fixed charge public lighting model and table 15-10 (metering tariffs) of Attachment 15 = Alternative control services, that support our distribution determination.

Under rule 6.13 of the National Electricity Rules (NER), the AER may revoke a distribution determination where there has been a material error or deficiency of one or more of the following kinds:

- (1) a clerical mistake or an accidental slip or omission;
- (2) a miscalculation or misdescription;
- (3) a defect in form; or
- (4) a deficiency resulting from the provision of false or materially misleading information to the AER.

We consider the identified errors are material and would come within the scope of rule 6.13 of the NER.

The AER, therefore, considers it appropriate to revoke the determination under rule 6.13 of the NER and substitute it with a new determination. The substituted determination may only

vary from the prior determination to the extent necessary to correct the relevant material errors or deficiencies and having first consulted with Ausgrid before doing so.

Ausgrid provided the AER with the corrected model on 5 July 2019. Further, Ausgrid supported the republication of the distribution determination.

We intend to make a determination to correct the identified errors under rule 6.13 of the NER as soon as possible.

If you have any queries on this matter please contact Robyn Pickering, A/g Director AER Networks, on (07) 3835 4659.

Yours sincerely

Chris Pattas General Manager

Networks